



Weekend August 12/August 13 1989



WORLD NEWS

### on flights will worsen

A strike by French air traffic electricians threatens to delay thousands of British holidaymakers leaving for Mediterra-nean destinations. The strike appeared to have little impact yesterday on the hundreds of charter flights leaving British airports. Scheduled services were unaffected.

The industrial action, due to end on Wednesday morning is likely to lead to a cumula-tive breakdown in air traffic control computer capacity.

Japan PM rules out poll Japanese Prime Minister Toshiki Kaifu said he had no plans for a general election and wanted reform of the elec toral system. The ruling Lib-eral Democratic Party wants to hold off calls for an election in the hope of rehuilding shat-tered public support.

Páté withdrawn Two brands of Belgian paté were cleared from shops in a listeria alert. Stocks of Brus-sels Garlic and Ardennes Garhic paté, produced at the Vebo factory in Oudernaade, were withdrawn from three supermarket chains in northern England and one in Scotland after contamination was found

warning, Page 4 .: Syrians renew bombin Syrian gunners renewed bombardment of Lebanon's Christian areas after a brief lull in 14 hours of devastation that killed at least 27 people. Hos-

in factory checks. Baked beans

Drive against poli tax Labour stepped up its campaign against poil tax; claiming that some people on income support could have nearly all that benefit clawed back to help pay any arrears.

Drugs flight folled

tage offer, Page 2

Police recovered 270kg of cocaine with an estimated street value of \$28m (£17m) after watching an aeropiane drop it into the Caribbean 14. miles off Puerto Rico.

Hotels' sludge claim Hoteliers in the Italian resort of Riccione are claiming damages from the north Lombardy local authority because slime on local beaches has driven tourists away. . . .

Kidnap charge

Three people were charged in Denmark with taking part in a plan to kidnap the son of a Swedish businessman and demand a £15m ransom. They pleaded not guilty to planning to kidnap Joern Rausing, son of Gad A. Rausing, former owner of the Tetrapak packag-ing company, who lives in Lon-

Ulater boy's funeral Schoolfriends of Seamus Duffy, 15, killed by a plastic bullet on Wednesday, carried the cof-fin to his Belfast funeral. Security forces are on full alert in Northern Ireland as Monday marks the 20th appiversary

of British troops being sent to the province. Sri Lanka dispute Sri Lanka pulled back from confrontation with India over troop withdrawals but insisted that the Indian Peacekeeping Force must leave before the

end of the year. Talks on the dispute broke down a week ago. Page 3 Down comes \$27.50 Grouse on the menu at the Ritz

in London will cost £27.50 today at the start of what promises to be a poor season. promises to be a poor season.
The Scottish grouse population
is 15 per cent down on last
year and the English 53 per
cent down. Glorious 12th, Weekend, Page VIII

Heading for a record A Pole has broken his own world record by bouncing a tennis ball on his head for thr 45mins - 17 minutes longer than his previous best.

**BUSINESS SUMMARY** 

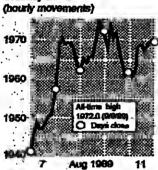
### Strike impact | Two setbacks for leveraged buy-outs

said it had stopped trying to syndicate the £532m loans used

A further setback for UK leveraged buy outs came when Ward White, which is facing a £900m bid from fellow a rival leveraged buyout. Bankers Trust, Lex. Page 22; Ward White, Page 8

FT ORDINARY share index ended the week 28.8 up at 1,969.6. It had closed last week at an all-time high of 1,940.8 and this week hit three consecutive all-time closing highs, reaching a peak of 1,972.0 on

FT Index



of the tobacco-based conglom-erate dropped 21p to 836p as the political and regulatory row continued over the £13.5bn hostile bid from the Hoylake consortium headed by Sir-James Goldsmith. Page 22

365,000 shareholders who have not received their certificates in the recently floated bank. should receive replacements within the next few days, Lloyds Bank, the flotation registrar said. Page 4

vices; Share price of the com-pany at the centre of the storm over importing toxic waste to the UK. fell 10 per cent to 655p. The Port of Liverpool has refused to handle PCB waste from Canada which is due to be burned at Rechem's incinerator at Pontypool. Ports company willing to handle PCB shipments, Page 4; Double-edged sword, Page 9

BLUE CIRCLE Industries, UK cement and home products company, posted its formal boiler and radiator manufac-

UNILEVER, Anglo-Dutch con-sumer products group, reported a 14 per cent rise in interim pre-tax profits. Turn-over was up 11 per cent to

£9.16bn. Page 8 MERRILL LYNCH, Wall Street securities firm, is selling its residential property unit, which is also involved in exec utive relocation, to Prudential Insurance Company of America in a deal worth more than

\$300m (£190m). Page 10 ASEA BROWN Boverl, Swiss-Swedish electrical engineerin multinational, has offered to buy and restructure CCC, Spain's biggest electricals group. Page 10

BRITISH ALCAN Rolled Products announced 240 redundancies at its plant in Newport, Gwent, following heavier-than-expected losses in the first half of this year. Page 4

SOUTH AFRICA stopped nonresident foreigners from using the financial rand exchange rate to buy residential prop-erty. The financial rand effec-tively halved the buying cost compared to the commercial

BANKERS TRUST yesterday to finance the management buy-out of Magnet, UK home products retailer.

retailer Boots, said it was drop-ping attempts at constructing

Ordinary share

Wednesday. Yesterday, market indices moved sharply in both directions, following develop-ments on economic fundamentals and also in the takeover arena, which had dominated investment attention this week. Market report, Page 15

BAT INDUSTRIES: Share price

ARREY NATIONAL: More than

£195.7m agreed offer for Myson, turer. It included a novel share alternative at an assured value

## Central bank intervention fails to halt rise in dollar

By Peter Norman, Economics Correspondent

**Dow Jones** 

WELL-PUBLICISED central bank intervention yesterday bank intervention yestertay failed to halt a sharp rise in the dollar after official data suggested that the US contin-ues to enjoy steady growth while inflationary pressures

The revival of support for the dollar was flanked by early strength in the US stock market, where the Dow Jones Industrial Average briefly touched a new all time high, and strength in US bonds. Both US equities and bonds fell in later trading, but not before events in the US had helped boost sentiment on the London Stock Exchange.

In spite of a growing number of hrokers' reports warning that London equities are over-valued, the UK market advanced in late trading. Yes-terday's 6.9 point gain in the FT-SE 100 share index to 2,354.2 was taken as a sign that the recent advance in share prices, which this week brought the index to well within 100 points of its all-time trading high, would carry over into the new account, starting on Monday.

By Clay Harris

the

conglomerate, yesterday became the latest corporate

giant to face takeover specula-tion after it revealed Kohlberg Kravis Roberts, the US laver-

Kravis Roberts, the US leveraged buy-out specialist, had signalled an intention to buy up to 15 per cent of its shares.

Last night, HTR was valued at more than £7.7hn after its shares jumped 35p to 454p, after trading as high as 456p.

Sir Owen Green, BTR chair-man, was determined yester-

day to play down the possibil-ity of a hostile bid for his company. He preferred to look

partnership between KKR's financial clout and BTR's man-

agement expertise, describing this as a "very intriguing com-

"If there's a price for BTR,

they could pay it," Sir Owen said. "But it's my impression

that it would not be in their interest." Sir Owen, BTR chief executive Mr John Cabill and

Mr Henry Kravis, KKR's foun-

BTR.

bination."

However, it was the US that provided the stimulus and since 1986, while previously sluggish retail sales advanced focus for activity on financial by 0.9 per cent "provided something for everybody," according to Mr Gerald Holtham, markets. News that the producer price index fell 0.4 per

UK-based

Against Starling (\$ per 2) Aug US producer prices

Dollar in London

Against the D~Mark (DM per \$)

cent in July, its biggest fall

BTR faces takeover speculation

chief international economist for Shearson Lehman Hutton in London.

interpreted the figures as aup-

An early rally in US stocks and bonds came as analysts

Sir Owen Green yesterday: looking towards a partnership

porting the increasingly dominant view that the US economy is headed for a soft landing.

The subsequent sell-off was attributed to the view that the US Federal Reserve will keep monetary policy on hold. The combination of continued growth and reduced inflationary pressures means that the central bank has little need to nudge interest rates lower. That was the justification cited for the dollar's strength yester-

It was against that confusing picture that up to a dozen cen-tral banks, headed by the US Federal Reserve, launched a well-publicised round of co-ordinated dollar sales. According to European central bank offi-cials, the scale of intervention was "modest," suggesting that dollar sales were in the low hundreds of millions of dollars.

Howevar, it was the first overt move hy the central banks to influence the dollar since the middle of June and also involved the West German Bundesbank, the Bank of England and most other Euro-pean central banks as well as the Bank of Canada.

Although the central bank Continued on Page 22 US producer prices, Page 2; Money Markets, Page 11; World Stock Markets, Page 12

It is rare for KKR to take a

stake in a company not already

embroiled in takeover specula

Continued on Page 22 Lex, Magnet and BAT deals,

### De Klerk calls talks over **Botha** rift

By Patti Waldmeir in Johannesburg

SENIOR members of South Africa's ruling National Party were summoned yesterday to an emergency meeting to resolve a hitter leadership dispute between President P.W. Botha and his potential successor, Mr F.W. de Klerk. The call followed the

announcement on Thursday that Mr de Klerk would meet Zamhian President Kenneth Kaunda in Zambia on August 28. Mr Botha reacted to the news with an extreordinary public rehuke to Mr de Klerk, making clear that the visit did not have presidential permission, although Foreign Minis-ter Mr Pik Botha had indicated previously that it did.

The latest demonstration of

tension between the two men comes less than four weeks before general electiona on September 6. Mr Botha, who stepped down as party leader six months ago because of ill health, has already heen involved in two contentious incidents involving relations with the party.

He refused to attend a public dinner given hy party officials in his honour, and, more significantly, failed to keep the party fully ahreast of his plans to meet Mr Nelson Mandela, jailed leader of the hanned African National Congress.

The President's terse statement about Mr de Klerk's Zamhian visit said that he was "not aware, in terms of the rules governing overseas journeys by ministers, of the discussions to be held on 28 August as announced by Dr Kaunda," This flatly contradicted an earhier statement by Foreign Min-ister Pik Botha indicating that the meeting had been agreed "after consultation with the state president."

Mr de Klerk reacted to the mr de Alerk reacted to the confusion last night by issuing a statement saying: "It appears there may possibly be a misunderstanding," He added that he had called an urgent meeting of all available ministers.

The episode has overshadmeeting itself, at which Mr de Klerk is expected to outline his plans for constitutional reform.

The focus of the talks may prove to be the issue of negotiations between Pretoria and the banned African National Congress. The organisation is believed to have prepared a paper which advocates a nego-tiating process similar to that adopted in the Namibian independence talks.

# We<u>ek</u>end



#### A BURNING **OUESTION**

Nobody can agree on the best way to handle toxic waste. To help cast light on this murky Issue, Peter Knight tells a story of four people — a director of an ICI division; a man who wants to build a \$20m Inclnerator in the Tees estuary; and an unemployed marine engineer and his wife who just happen to live nearby

Page I

Finance The BAT bid and the small investor Page III

Minding Your Own Business Kieran Cooke finds three Irish entrepreneurs Page VI

> Travel Christian Tyler in Turkmenistan Page X

· Arts.

Previews from the Edinburgh Festival: Michael Coveney, Clement Crisp, Nigel Andrews and Mary Rose Beaumont Page XIV

Sport

Racing: The roaring whoosh of money, by Michael Thompson-Noel. Plus Philip Coggan on soccer Page XVI

### ding partner, have met several tobacco and food group RJR **London Underground strikers** are threatened with dismissal

times in New York recently.

Indeed, analysis in London suggested KKR's backing could enable BTR to make a dra-

metic return to the takeover

market itself, probably in the

US, although some British can-

didates were also mentioned. BTR has avoided hostile bids

since abandoning a fiercely resisted offer for Pilkington, the glassmaker, early in 1987.

However, it has been seeking a US counterpart to BTR Nylex, the 62 per owned Australian

subsidiary which has provided

most of the group's growth by

Capel said: "Of the three

options - passive investment,

precursor to a bid and collabo-

ration - I think the latter is

possible financial restructuring of BTR itself, to improve

returns to shareholders.
"Something I think all corporations should be examining."

KKR, which bought Us

Sir Owen did not rule out a

by far the most likely."

acquisition in recent years.

By John Gapper, Labour Correspondent

THE END of disruption on the London Underground seems likely after managers yesterday threatened to dismiss any drivers or guards who failed to work normally next week.

The hardening of London

Underground'a stance came as the Government expressed growing concern about the series of high pay settlements in the public sector, culminating in the 8.8 per cent deal for 740,000 local white-collar staff on Thursday evening.
Mr David Hunt, Minister for

Local Government, said a con-tinuation of settlements such as those at British Rail, Lon-don Underground and the BBC could lead to inflation rising towards 15 per cent. Ministers are worried that settlements in the recent wave

of industrial disputes will push up the rise in average earnings, running at 9.25 per cent for most of this year, with no compensating gains in produc-Organisers of wildcat strike

action on the London Under-ground were angry that the rall unions Aslef and the NUR

settled for an initial weekly increase of £16.73 in drivers' earnings on top of this year's

pay rise of 8.75 per cent.

However, they predicted yesterday that mass meetings of train drivers and guards to be held in London on Monday would not call for further unofficial action.

The prediction came after London Underground announced it would suspend from duty any driver or guard taking strike action next week. All those suspended would then be given a disciplinary hearing, and probably dis-

missed.
The managers said they were prepared to hire drivers to replace any dismissed, and to speed up the normal two- to three-month period of training for new drivers to minimise disruption.

Howevar, they said they would not single out for discipline those organising the strikes in defiance of the rail unions, Mr Denis Tunnicliffe, managing director, said the corporation did not want to create martyrs.

The new London Underground position came after some drivers and guards failed to turn up for work on Thurs-day following official settle-ment of the dispute over pay for the one-person operation of Mr Tunnicliffe said he

Nabisco earlier this year for a

record \$25bn, welcomed BTR's "receptivity" but declined to

elaborate on its intentions. But

it stressed that it had never

mounted a hostile hid.

believed one-day wildcat strikes could continue until Christmas unless it took firm action. "We can see no way forward other than bringing this dispute to a head," he said.
He believed few if any staff would defy the warning set out in letters to each of them, but even if half the 2,630 drivers and 1,000 guards had to be dis-missed "it would not destroy us permanently."
Mr Derrick Fullick, Aslef

general secretary, said London Underground had inflamed feelings by briefing staff inac-curately on the settlement. He believed London Underground's threat to dismiss' workers would sour talks on for drivers in return for productivity improvements. Worry over pay, Page 5

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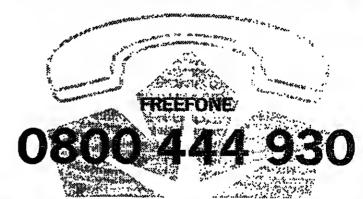
London Options Money Markets . Stock Markets Wall Street 12,13 12,13

Unit Trusts \_

Austria Sch22: Bahrain Diri0.700: Bermuda \$1.50; Belgiotz BFr50; Canada C\$1.00; Cyptus C\$0.80; Dermark DKr10.00; Egypt EC3.25; Finland Pmk7.00; France FFr7.00; Garmany Dk2.50; Greece Dx122; Hong Nong HY612; Lesiand BC125; India Rupti; Indonesia Ro5.(60; Ireland IOJ.60; Interest BS9.50; Insis L1700; Japan Y800.) Jorden Fila.50; Musek Fila.50; Lesiando SL25; Luxelbourg L-r50; Makeysia Rink.25; Maita 40c; Maxico Pacs00; Mortocoo Ordico Notice Fila.50; Norway Mirtigot; Fortung Eac40; SA-rable Risk.70; Singapora SA-10; Gogale Psits(5; S1 Lanios Rig30; Sweden SKr10.00; Seriestand SFr2.40; Talwan NTS85; Thalland BirS0; Tunisla Dri0.800; Turiny L800; USA \$1.00.

You've read Hoylake's offer document.

A phone call could help you to see things more clearly.



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## STERLING

MARKETS

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w York: Comex Dec \$370.8 (374.2) \$361.5 (368.25) M SKA OFL (Argus) \$16.85 (-0.10)

US LUNCHTHEE RATES -Fed Funds 9% 3-mo Treesery Bills: yield: 8.203% Long Bond: 10012 yield: 8.047%

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\$ index 70.9 (69.6)

Tokyo close: Y140.10

Y141.90 (139.10)

DOLLAR

New York & DM1.0427

FFr6.5610

SFr1.6770

V142.05

STOCK INDICES FT-SE 100: 2.354.2 (+8.9) FT Ordinary:

1,969.6 (+8.2) FT-A All Share: 1,196.73 (+0.2%) FT-A long gilt yield Index high coupon: 9.32 (9.29) New York lunchtime

DJ Ind. Av. 2,706.18 (-6.25) Tokyo: Nikkei 34,712.96 (~6.84) LONDON MONEY 3-month Interbenic closing 13 (same)

Behut ...

Greenpeace: ... Making green waves

The worst is yet to come

Letters ...

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By Anthony Harris in Washington

THE US producer price index for finished goods feli 0.4 per cent in July, its biggest fall since 1986, the Department of Labor said yesterday. At the same time, the Department of Commerce published an estimate that retail sales, which have been sluggish, rose 0.9 per cent in the month.

Both figures were strongly

Both figures were strongly influenced by events in the car

influenced by events in the car market. Strong sales incen-tives eccounted for half the fall in finished goods. Analysts fear that the effect will be reversed this month, when car prices will not have dropped as much as usual. The rest of the fall was due to weakness in food and energy prices.

Prices earlier in the production chain continued to encourage hopes that inflation is on e downward trend. Crude goods prices rose only 0.2 per cent, after falling 2.0 per cent in June. This index wes boosted sharply early this year by rises in food and energy materials. Raw material prices epart from food and energy fell by 1.5 per cent in July.

The prices of partly pro-cessed goods fell by 0.2 per cent for the second successive month; food and energy had no net effect on the index. since although energy prices fell hy 1.3 per cent in the month, food prices reversed an earlier fall of 1.6 per cent,

By David Goodhart in Bonn

THE West German Bundespost

may soon face competition from at least three different

companies in nationwide data transmission following the lib-eralisation on July 1, according

The three companies believed to be planning such systems are Info AG, BFG Eank and a Siemens subsidiary, Bascom. British Telecom could also enter the market

could also enter the market through a subsidiary of the

recently acquired Tymnet.
A further indication that the

private sector is gearing up to

take edvantage of the new

opportunities to compete comes in the announcement

that the Matuschka financial

services group is planning to organise a consortium of 40 to

50 smaller companies to bid for

the potentially lucrative

licence for the private-sector

mobile telephone system.

Matuschka, in combination with various big international

concerns, will be one of seven bidders for the contract.

intends to raise public spend-

ing by an average of 3 per cent a year from 1991 to 1993, after the slightly higher than expec-

ted 3.4 per cent increase next

The spending plans will go

before the Bundestag in Sep-tember and should be passed,

possibly amended, before the

A spending increase of 3.3

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per cent is planned for 1991;

end of the year.

vear.

Mr Christian Schwarz-Schil-

West Germany plans 3%

annual rise in public spending

THE West German cabinet the figure should then fall

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to industry sources.

**Bundespost faces** 

three competitors

### Paradise will soon be lost for disconsolate Contras

News of demobilisation has been received with mixed confusion and resentment, Tim Coone reports

OR the past eight years,
Paradise has been the
home to the Contras –
the US-backed Nicaraguan rebels. El Paraiso, as it is known
in Spanish, is a southern province of Honduras which neighhours Nicaragua

bours Nicaragua.

Here, jagged pine-covered mountains border deep valleys. Chubby pigs root in the undergrowth. Coffee bushes and the buzz of chain saws give clnes to the principal economic activities of the human inhabitants. The day's soporific heat itants. The day's soporific heat is followed by the cool air of the night. Starlight alone can

light up one's path.
From their bese camps hacked out of the jungle in this Garden of Eden, the Contras, or the Resistencia Nicareguense (RN), have launched their hit-and-run missions into Nicaragua, returning for rest under the protection of the Honduran army and US forces stationed further north in the

country. But by December, the camps are to be dismantled and the Contras disarmed under the agreement signed by the five Central American presidents earlier this week at the Tela summit. Paradise is to be no more for them.

more for them.

The camps themselves do not evoke images of milk and honey. The troops live in make-shift hnts made of wooden frames. A few have wives or griffriends living with them. Most do not

them. Most do not.

Most have not left the camps for the past 18 months since the withdrawal of the bulk of

ling, the Post Minister, yester-

parcels service recorded a defi-cit of DM2.26bn and the tele-phone service a profit of DM4.5bn (although telecommu-

nications overall produced a profit of only DM2.72bn). Investment was more than

The annual report revealed that the number of telefaxes acquired in 1988 had risen 135 per cent to e total of just under

200,000. Telefaxes are one of the most widely liberalised

parts of the telecom system, although some control on the

is being considered by the EC.

that the telecommunications

arm of the Bundespost would

soon be opening offices in

Washington, Tokyo, Paris, Lon-

don and Brussels, as part of its

drive to modernise and inter-

to 2.8 per cent in 1992 and

The federal budget deficit is

scheduled to fall from a peak of DM33.7bn (£10.9bn) next year

to DM25.6bn by 1993. Among

the assumptions huilt into

these sums are an annual Bundesbank profit of DM7bn,

annual privatisation revenue of DM1hn and e reduction in

subsidies from DM14.5bn to

10.3

S.0 3.6

10.0

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6.9 5.3 4.0 12.4 3.2 10.1 9.4 2.7 11.1

The Post Ministry confirmed

tary aid. Pep talks and gossip help alleviate the boredom. Amid this, the sudden prospect of peace and demobilisation has arrived like a bombshell.

At the principal camp, known as Yamales, where the hulk of the Contra forces have languished for the past 18 months, the news has been received with a mixture of confusion and resentment, bol-stered with bravado and defi-

Commandante "Modesto" is an earnest-looking 23-year-old in charge of 600 men, who left his father's cattle ranch six years ago to join the Contras. Of the Nicaraguan Govern-ment's recent political reforms which clinched the demobilisation agreement, be says: "We don't trust thet they will keep

don't trust thet they will keep their promises.

"We won't surrender our arms until there is democracy in Nicaragua. . . I shall not return while (the Sandinistas) are in power."

Asked whether he would continue to fight if the Sandinistas win in free and fair elections, he said: "I can't answer that. It is too confusing."

Oscar Sobalvaro, better known as Commandante "Ruben," one of the five military chiefs of staff of the RN, said: "There is a lack of confidence on the part of the com-batants. We first want to see that the Sandinistas comply

with what they have signed.
"Demobilisation should come after the elections, f don't understand why the opposition parties agreed to the demobilis-etion. I don't know to what

extent they are taking us into

On the day before the Tela summit, the 20 opposition par-ties in Nicaragua agreed to the demobilisation proposal in return for political reforms. A serious lack of understanding of what is going on in Nica-ragua is all too apparent within the Contra camps. Information is limited to what the leaders allow to be disseminated. As one soldier, a robust 70-year-old man said: "We don't know what is happening. We

cannot leave the camps. Journalists are accompanied everywhere hy a "minder." Interviews with troops are closely scrutinised by officers, who distrust even the political leadership of the RN.

he visit last month of six Contra field com-manders to Washington to meet State Department offi-cials and US Congressmen was at the behest of the field offi-cers. As one battalion com-mander said: "We wanted to get our point of view across, which we felt was not being done by our existing leadership."

Col Enrique Bermudez and

Mr Adolfo Calero, who et US instigation took control of the RN last year, deposing moderates and breaking off peace talks with the Nicaraguan government, are themselves now being side stepped. Nine "com-mandantes," including the six who visited the US last month, refugee status in the US.



Contras play baseball in a jungle camp on the Coco River, the Honduras-Nicaragua border

Tegucigalpa, this is to enable them to travel freely and to negotiate directly with the Nicaraguan government on the terms of demobilisation and patriation\_

We are open to talks. We are not opposed to demobilisa-tion but we want to see what tion but we want to see what the guarantees are," said Com-mandante Rnben. But he warned: "If we are forced to disarm, we will take our weap-ons into Nicaragua, not to dis-rupt the elections, but to over-

cials said at the Tela summit cials said at the Tela auminit that they are prepared to discuss "technical details" of repatriation with the Contras, but that any attempt by them to enter Nicaragua with their weapons would be met by force. "We will finish them off," said General Joaquin Cuadra, the chief of staff of the Nicaraguan army.

Nicaraguan army, Between now and early December, demobilisation mnst be complete under the summit agreement. For those wishing to vote in next February's elections, and many of

Hungarians

and Poles

By Our Foreign Staff

**HUNGARY** and Poland

yesterday openly condemned the Soviet-led invasion of

Czechoslovakia on August 21, 1968. Their moves are likely to

deepen the rift between Pra-gue and its reform-minded

neighbours.
The Warsaw Pact invasion which quashed the Prague Spring, the reform movement

recant

the Contras and refugees living in Honduras do, they will have to return to Nicaragua.

Their dilemma is clearly one

Their dilemma is clearly one of confidence. According to one peasant farmer who has lived in a Honduran refugee camp for the past five years, having abandoned his farm in northern Nicaragua, an area similar to El Paraiso: "If the Sandinistas don't keep their promises, we shall have left the camp here and we will not be able to come back". For him at least, Paradise would appear to be a relative concept. relative concept.

Ban fails to

halt strikes

in Estonia

AT LEAST 16,000 workers stayed away from their jobs in Estonia yesterday despite a government ban on the walkouts and officials' apology for ignoring the growing militancy of ethnic Russians and other programs.

migrants, AP reports from

Moscow. The thousands of non-Esto-

nian workers, in their third straight day of strikes, were protesting at a new election

law they claim discriminates against residents of the small

town of Kohtla-Yarve.

reported.

day, "self critically acknowledged that it failed to take

into account fully the growth

of national consciousness

among the non-Estonian population of the republic, Tass

But they also criticised

#### US accuses Bulgaria

The US yesterday accused Bulgaria of repressing its Turkish minority and violating human rights obligations, Air reports from Washington.

The US feels very strongly that the government of Bulgaria must meet its human rights obligations, cease the religious and social persecution of its ethnic Turkish ininority and provide an

#### Israel detention period extended

The Israeli authorities yester-day extended from six months to one year the period Pales-tinians from the occupied ter-zitories can be held without trial, Hugh Carnegy writes from Jeruselom

Soviet republic who are not ethnic Estonians.
The official news agency Mr Yitzhak Rabin, Defence Minister, and military chiefs have for some time been try-ing to shed some of the legal Tass put the number of strikers in Tallinn, the Estonian capital, at 16,000, with 26 enter prises affected. Strikes were restraints on their suppression of the Palestinian intifada, or The Estonian leadership, in a statement published yester-

### Chile candidate

Mr Hernan Buchi, Chile's for mer Finance Minister, has emerged as the only pro-gov-ernment candidate to succeed right-wing military President Augusto Pinochet, AP reports

strike leaders for trying to stir up inter-ethnic strife and intimidate the non-Estonian from Santiago.

Mr Sergio Jarpa, a veteran conservative politician and Mr Buchi's main rival, withdrew population, it said. The Estonian parliament issued a ban on all strikes on Thursday, but strike leaders said that they considered the move illegal and they had no plans to call a halt to the walk-The protest by non-Esto-

nians was sparked by a new law passed by the Estonian parliament on Tuesday that tightens residency require-ments for voting and holding elected office.

#### Solidarity talks 'positive' By John Lloyd

TALKS in Warsaw yesterday between Solidarity and the par-tles which had supported the

Communists in a governing coalition – the United Peasants Party and the Democrats - were said to have been "pos-itive." The talks, conducted by the secretaries of the three parties' executive committees - Mr Jaroslaw Kaczynski for Soli-darity, Mr Bogdan Krolewski for the UPP, and Mr Tadeusz

Rynszewicz for the Democrats, will continue.

They come as General Cses-law Kiszczak, the Communist Prime Minister, continues to

search for a cabinet. He has so far failed to woo any Solidarity figures into a coalition govern-Mr Bronislaw Geremek, the

leader of the Solidarity group in the Sejm (parliament), said on Italian television that a Soli-darity-led government could contain Communist reformers an offer approved in the Solidarity deputies group earlier

darity deputies' group earlier this week.
Solidarity's daily, Gazeta Wyborcza, said yesterday the group had proposed Mr Lech Walesa, the movement's leader, for Prime Minister. Tens of thousands of Solidarity supporters staged a one-hour strike in Mr Walesa's base of Gdansk vasterday in protest

# By Victor Mallet HOPES rose resterday for the reisesse of Mr. Regar Cooper, the British husinessman jailed without trial in Iran atmos 1985, when his family disclosed that he had been permitted to make a long taisphone call to his daughter and learn of the death of his 55-year-old mother at first hand. Mr Cooper's family walcomed the "humanitarian gesture" of the prison authorities — which allowed him to hear the news direct rather than on the radio or from a prison guard — and appealed for him to be freed for the funeral. In another positive sign this week, the Tehran Times reported that Mr Cooper had translated and peated a poem by the late Ayatoliah Khomeini. His translation and critique were published and referred to favourably in the newspaper.

Hopes rise

for release

of Briton

in Iran

newspaper.

His family recently received two letters from the Cooper, who is incarcerated in Tehran's Evin prison. He said in one of the letters: "I try to stay optimistic and keep telling myself that this cannot go on for ever, but I no longer convince myself."

minority and provide an orderly departure with dignity and personal property for those who wish to leave Bul-garla," said Ms Margaret Tut-wiler of the State Department.

and Gaza Strip which has now been going on for more than

### endorsed

from the race on Thursday. Mr Jarpa, president of National Renewal, the nation's largest conservative party, has given Mr Buchl his endorsement.

### Three on Mendes murder charge

A judge in a backwoods Amazon town indicted a cattle rancher, his son and a local gunmen for last December's murder of internationallyknown Amazon union leader and ecologist Chico Mendes, AP reports from Rio de Janeiro. Cattle rancher Darli Alves

da Silva was indicted for ordering Mr Mendes' murder. and Mr Jerdeir Pereira and Mr da Silva's son Darcy for carry-ing it out.

#### Thirteen die in Kurdish raid

Kurdish guerrillas yesterday raided five hamlets in south-eastern Turkey, killing 13 peo-ple and kidnapping 22 villag-ers, AP reports from Istanbul. The semi-official Anatolia News Agency said three rebels were killed and two were wounded in the attacks on Thursday night.

### FINANCIAL TIMES

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strike in Mr Walesa's base of Gdansk yesterday in protest Osiergade 44, DK. 1100 Copenhagen K. against rising food prices.

Financial Times (Scandinavia) Ltd. Osiergade 44, DK. 1100 Copenhagen K. Denmark, Telephone (01) 13 44 41. Fax (01) 935335.

### have this week been granted According to the US Embassy spokeswoman in see them. Syrians renew Beirut bombing

SYRIAN gunners renewed their bomhardment of Lebenon's Christian areas yester-day after a brief lull in 14 hours of devastation that killed day presented the Bundes-post's annual report showing at least 27 people, Reuter profits slightly down at DM2.2bn (£715m) and turnover np to DM52.5bn. The letter and

reports from Beirut.

The Syrians poured artillery and rocket fire into several Christian residential neighbourhoods, some of it aimed at the presidential palace where Christian army chief Gen Michel Aoun has an underground bunker.

Hospital sources said at least 27 people were killed and some 125 wounded in battles which erupted on Thursday and raged

Hizhollah, the Iranian-funded

"Party of God" believed to be

behind the kidnapping of West-

erners in Lebanon, offered yes-terday to help release the hos-

tages if the West pressed Israel to free Arab prisoners.
"Let us get to an agreement

together so that each side uses

its own means and infinence to

end the crisis of the hostages, all hostages, and resolve the problem of Arab prisoners,"

Sbeikh Mohammed Hussein

Fadlallah said in a Friday ser-

"I am ready to help free the Western hostages provided that Western countries help

release Lebanese and Palestin-

ian prisoners in Israel," he said. The White House in

Washington described the

statement as "interesting".
The fundamentalist Hizbol-

mon at a Beirut mosque.

**By Victor Mallet** 

until dawn yesterday. Parts of Beirut looked as if they had been hit hy a tornado. Streets were littered with fallen trees, hroken glass, twisted power pylons, burned-out cars and other debris.

Roads in both sectors of the divided capital were cratered with rocket and shell holes. Broken furniture from bombed-out apartments lay scattered everywhere and the acrid smell of burning filled

An Arab League committee comprising the heads of state of Saudi Arabia, Algeria and Morocco has declared defeat in

nals since Israel abducted a

Hizbollah leader in southern

Lebanon on July 28, triggering

off the latest round of the hos-

off the latest round of the hos-tage crisis. One group of kid-nappers believed to be linked to Hizbollah said it had hanged Lt Col William Higgins, an American hostage, while another offered Israef an

exchange of Mr Joseph Cicippio for Arab captives.

As if to underline the disarray in Hizbollah ranks, another cleric, Sheikh Sobhi Tofeili, yesterday rejoiced in the death

of Higgins and ruled out nego-tiations with Israel in a speech

In Beirut, thousands of pro-

Iranian Shia Moslems com-memorated the martyrdom of

the Prophet Mohammed's

in Baalbek.

end the carnage.

"Politically all doors are closed. There is nothing except fighting and killing; the fight-ing will get out of control by the end of the summer," one pro-Syrian politician said.

two months of mediation to

Thursday's fighting was among the worst since battles flared five months ago when Gen Aoun declared a "war of liberation" against Syria's esti-mated 40,000 troops, deployed in Lebanon since 1976.

Hizboliah has been urged by

a series of envoys, probably including the hrother of Iran's

newly-elected President, Hoja-tolesiam Ali Akbar Hashemi

Rafsanjani, to spare the hos-

diers on Wednesday in retalia-

tion for Israel's kidnapping of Sheikh Abdul Karim Obeid -

said he also wished he had

killed Mr Salman Rushdie, the

British writer.
Mr Rushdie was condemned

to death in e religious decree issued by the late Ayatollah

Khomeini of Iran.

At least 600 people have been killed since mid-March and more than 2,500 have been wounded.

nose in the dirt".

# Hostage offer from Hizbollah

#### which attempted to create "socialism with a human face", was yesterday condemned in Nepszabadsag, the Hungarian daily, and by the Solidarity-dominated Polish Upper House or Senate. "It is obvious today that the decision to move the military into Czechoslovakia in 1968 mentor of lab has issued confusing sig. Israeli flags and was essentially wrong," wrote Mr Imre Szokai, deputy head of Hungary's department for Death to America, death to Israel. We will rub America's

international affairs. Mr Szokai also confirmed remarks made by Mr Alexan-der Dubcek, Czechoslovakia's former party leader who spear-headed the Prague Spring, who recently gave a remark-ably frank interview to Hun-

tages.
The organisation released a videotape yesterday in Which suicide car bomber Asaad garian television. Mr Dubcek had said that Mr Janos Kadar, the former Han-Berro - who blew himself up and wounded five Israeli solgarian party leader, "had been divided until the last minute" over whether to join in the

All Warsaw Pact countries except Romania sent troops

into Czechoslovakia. Meanwhile, the Polish Sen-ate said: "This intervention was a violation of the inalienwas a vocation of the manen-able right of every nation to self-determination and its nat-ural striving for democracy, freedom and the respect of

The public condemnation, which takes place just nine days before the 21st anniversary of the invasion, follows bitter exchanges between the Hungarian and Czechoslovak media over the nature of the reforms taking place in Eastern Europe. The Czechoslovak leadership is unenthusiastic about the page of political about the pace of political reforms in Poland and Hun-

gary.

• Rude Pravo, the Czech party daily, yesterday warned that the authorities would use force against "anti-socialist" elements if unofficial demonstra-tions were to take place tomor-row week.

### grandson, Imam Hussein bin Ali, by trampling on US and New head named for French state TV

By George Graham in Paris

FRANCE'S hroadcasting council has named e new head for the country's state TV network. Mr Philippe Guilhaume, head of Société Française de Production, the state-con-trolled film and TV production company, will take over as chairman of both Antenne 2, the main state channel, and FR3, the regional network. The appointment was wel-comed almost universally hy

French state television, which

sector channels.

tant test for the Conseil Supérieur de l'Audiovisuel (CSA), the new broadcasting council set up by France's socialist government to replace an ear-lier body created by the right-

viewed as the government's favourites, instead selecting a

national has been losing viewers at a political, though he is a close ouncil has worrying rate to the private associate of the former conservative prime minister, Mr Jacques Chaban-Delmas. Mr Guilhaume's first task will be to select the chief exec-

utives of Antenne 2 and for FR3. Antenne 2 had an audience share of around 24 per cent in June, 15 points behind the privatised TF1.

behind the private sector La 5, gaining 3 points in the ratings

Bloch: bittersweet jokes

At the same time, the decision was viewed as an impor-

politicians and TV employees. It comes at a crucial time for

wing government.
The CSA did not choose either of the two candidates

FR3, whose regional network has an audience share of around 11 per cent, lies just

### Suspected US spy becomes media star By Peter Riddell, US Editor, in Washington



MR FELIX BLOCH, the senior State Department official suspected of spying for the Soviet Union, has given a new twist to the espionage story. He has turned into a media star.

Initially, Mr Bloch, a former deputy bead of the US Embassy in Vienna, went into hiding after ABC News revealed three weeks ago that he had been put on leave pending inquiries by the Federal Bureau of Investigation. But this week, on his daily

walks with his terrier Mephisto, Mr Bloch has started talking to members of the bizarre circus of reporters, television camera crews, FBf agents and even, apparently, KGB officials who follow him around. The only subject off limits is

the FBI inquiry. The US Government has not so far brought

المراجع والمستقول والمنافع والم

charges, despite reports that there is e videotape of Mr Bloch passing e briefcase in Paris to a Soviet agent, who was later apparently monitored giving the US diplomat a telephone warning that he was under suspicion. Instead, Mr Bloch talks of

his days in Vienna, the opera there, his education and the interest of the media, with It is not all bittersweet jokes. There have been hecklers. whom he confesses to have developed "a real symbiotic a communist. relationship". On Tuesday, he went for a 22-mile walk trailed by the

media caravan, partly, he said, to outlast the media and the FBI". But, he later complained. conferences, he concluded: Unless the Fourth Estate will his followers cheated. "They rode part of the way. They rented bikes. They may even have been in a helicopter over-

However, even the resilient

Mr Bloch had to give up and accept a ride from CBS News. Thad a funny question on the way home. They were in communication with their offices by radio and said: "Can we take you into the bureau?" I said: "What? The FBI?" He was however delivered safely was, however, delivered safely

attacking him as a traitor and Sometimes he has confessed to a Garbo-like desire to be alone. After conducting one of his lengthy park bench news

bny me lunch, i'm going But there are limits to journalists' entertaining, even in Washington. He went home

131

11.11.11.46

afert entire

SRI LANKA yesterday pulled back from confrontation with India over troop withdrawals but insisted the Indian Peace-

but insisted the Indian Peace-keeping Force must leave before the end of the year.

Mr Ranjan Wijeratne, the Foreign Minister, told MPs he was sure the withdrawal "could be speeded up further with goodwill and understanding." He suggested the two sides should meet half-way, allowing Indian soldiers to go

with honour.

Talks broke down a week ago with Sri Lanka insisting on withdrawal by December while India proposed a timetable that would have the 45,000 troops out hy February. The Sri Lankan government thus seems to be looking for a compromise that the end of the very interest. date, the end of the year, in line with the timetable agreed earlier this year between the

Mr Wijeratne's conciliatory tone came in sharp contrast to the ultimatums served on India in June and July. This heavy-handed approach came under attack from the opposition in parliament and in private from

Mr Wijeratne sought to reassure India about the safety of the Tamil population in the north and the effective functioning of the northeast provincial council. He seemed to endorse Indian Prime Minister Rajiv Gandhi's proposals for a conciliation committee in

which all Tamil groups would participate. He also spoke of building "bonds with India that cannot be pulled apart."

The Sri Lankan change of heart brightens the prospect for a detailed agreement with India but it by no means India, but it by no means removes all the hurdles. The greatest of these is that the more Sri Lanka compromises with India, the greater the risk of antagonising the Tamil Tigers, the armed separatist movement in the north.

President Premadasa had reached an understanding with them on the basis of an immediate ceasefire and withdrawal by India. Mr Wijeratne made no mention of a ceasefire yes terday, implying that Sri Lanka is moving closer to the Indian position of a limited ceasefire to be extended if the Tigers participate in the pro-posed reconciliation committee. They oppose this because it would include Mr A.V. Peru-mal, the Indian-backed chief minister in the north whom

they regard as a quisling.

### China turmoil yet to hit trade with Hong Kong

By Michael Marray in Hong Kong

TRADE between Hong Kong and China flowed smoothly in June despite the turmoil in Peking, with Hong Kong government figures showing imports up 32 per cent over the same month in 1988, while

exports rose 15 per cent.

The figures also show that despite a slowdown in economic growth, Hong Kong's merchandise trade still grew by 24 per cent in the first half

Over the past few years Hong Kong has been rediscovering its entrepot role, and China-linked re-export business has been making up an increasingly large slice of

exports, both because Hong Kong provides the major port for southern China and also as a result of the many Hong Kong-owned factories being set up in Guangdong province. During the first half domestic exports to China grew by 28 per cent to HK\$20.5bn, while imports from China leapt by 34 per cent to HK\$89.4bm. China

bound re-exports rose by 35 per cent to HK\$52.6bn.
Most Hong Kong growth forecasts for 1989 have been downgraded since June 4, but predictions for real growth still hover around 5 per cent for the year, following growth of 7 per

### Japan's trade surplus falls again By lan Rodger in Tokyo

JAPAN'S merchandisa trade surplus tumbled 16.5 per cent to \$5.9bn in July, on a year-onyear basis. It was the third consecutive month of decline and added to the evidence that the pace of structural change in Japan's economy is accelerat-

Exports grew only 1.1 per cent to \$28.4bn while imports jumped 9.1 per cent to \$17.4bn on a customs cleared basis, according to figures published yesterday by the Ministry of Finance.

The merchandise trade surplus with the US dropped 15 per cent to \$3.8bn, as exports rose only 1.3 per cent to \$8.1bn and imports from the US soared 21.9 per cent to \$4.2bn. Exports to the European Community dropped 3.5 per cent to \$3.9bn while imports rose 7.5 per cent to \$2.3bn, resulting in a surplus of \$1.7bn.

Economists in Tokyo said the import figures were flat-tered slightly by the weaken-ing of the yen in recant months. However, oil imports were sharply down in compari-son to a technical surge in the same month last year in advance of tax changes. The most ancouraging ele-

ment in the figures was the sharp increase in machinery imports. Total imports of machinery were up 29.9 per cent to \$2.8bn. "This may reflect the difficulties that domestic manufacturers are having meeting demand, so companies are turning to for-eign suppliers," Mr David Pike of UBS Phillips and Drew in

Tokyo said. There are also strong hints of self restraint being applied by Japanese exporters in some of the figures. Exports of motor vehicles dropped 5.3 per cent to \$40n and exports of videotape recorders were down 4.2 per cent to \$512.9m. On the other hand, semiconductor exports remained very strong, rising 17 per cent to \$1.3bn. On a seasonally adjusted

pasis, the merchandise trade surplus for July was \$5bn, down from \$5.1bn in June. On a yen basis, exports in July reached Y3,312.8bn, up 9 per cent, while imports jumped 17.5 per cent to Y2,465.7bn.

## Chukka sahibs play polo atop the world

Christina Lamb watches a free-for-all tournament high in the Hindu Kush

VERY year or so, villag-ers from all over what is now northern-most Pakistan make the trek up 12,500 ft to the Shandur Pass, often taking two weeks by foot and borseback, for the world's highest polo tournament. Polo, the world's oldest ball

game, came from Iran to the indian sub-continent in the 5th century BC as "poloor chau-gar." In the states of Chitral and Gilgit, the "game of kings" was sponsored by royalty but played by anyone who could beg or borrow a horse.

When the British colonised India, they discovered the game in two outposts, Manipur in the Eastern Himalayas and Chitral-Gilgit among tha mountains of the Hindu Kush and Karakoram. They civilised it and called it polo. Today, life in every village in the mountainous region of Chitral and Gilgit revolves around the polo field, all work stopping whenever a game is in progress. When the British colonised ever a game is in progress.

The yearly tournament up the Shandur Pass wedged among the peaks of the Hindu Kush and the Hindu Raj, and dividing Chitral and Gilgit, is the highpoint of the season, played between three teams comprising the best players of both regions.

Alam Khan, an ardent Gilgit supporter, has never missed a match despite having several times been wounded by a ball or mallet flying into the crowd. He thinks this may be his last trip. "There is no road from my village and the journey is taking me longer each time. This year it took 10 days." Among the several thousand

that make the often treacherous trip, there are no women. Alam Khan jokes: "This is a chance to get away from my wives. Besides, this is real



This is polo with no rules, resembling rugby on horseback

polo, not the namby-pamby those who had made the trek could not be dampened, as they This is polo with no rules, resembling rugby on borseback as players try to push each other off their steeds or grab the hall with their hands. Played on a ground grazed by sheep, known because of the beight as the "Moonlit Ground," beside a glaciered lake and circled by snowcap-

ped peaks, the spectacle is worth the 10-hour trip from the nearest town of Chitral The players take two weeks preparing for the altitude, gradually moving their horses to greater beights. The match was late this year and fell in the rainy season, a miserable icy drizzle peryading every-thing. But the excitement of sat perched around fires or in tents dotted across the slopes. drinking endless cups of tea and debating their teams'

The beat of drums echoing through the mountains announced the start of the first day's play. Silence fell as the players assembled in midfield and the ball was flung into the centre by Makhdub Alam Khan, a 70-year-old wbo has heen throwing the hall at Shandur since 1962 - a task usnally reserved for village elders or bonoured guests.

A few stray sheep were cleared from the pitch and the match was under way, a small but noisy pipe-and-drum band striking up a discordant tune. The band played throughout, the rbythm quickening with the speed of the game.

The first match passed off uneventfully, Chitral losing badly 9-2 despite having the crowd on their side. Gilgit supporters had been delayed by the collapse of a bridge on the way up the pass.

During the next match, excitement mounted. A cow which had run onto the pltch was dragged off unwillingly. but a donkey was allowed to join the fray. The game was fast and furious, a favourite tactic being to deflect the ball off a low wall so the match would spill over into the spec-

If a horse or player is taken

off burt, the opposite number from the other side must also retire. By half time, both sides were three players down, Chi-tral having lost one player and two borses, one of which died

of heart failure, his carcass dumped in the lake. Chitral could only screpe two goals against Gilgit's 10. While faces of the Chitral players were downcast, the Gilgit team went wild, players dancing on their horses and being carried aloft by adoring mobs. Having suffered two successive defeats, morale in the Chitral camp was low, though they still expected great things of their first team in the main

On the day of the Grand Final, the surrounding peaks were visible for the first time. The air of expectation among the audience bad little to do with the impending arrival of Pakistan's Prime Minister to watch the match. Several spec-tators said they had never beard of Benazir Bbutto, and some seemed shocked to learn hoth that they had a woman premier and that she was attending the tournament. Polo is a man's game," grumhled one.

Arriving in a convoy of beli-copters, Ms Bhutto was seated on the verandah of the pavilion of the Chitral Scouts who help organise the match, looking uneasy at the preponderance of photos of her enemy and prede-cessor, the late President Zia who inaugurated the pavilion

on his last visit in 1986. The final score: Gilgit 9, Chitral 5. The Gilgit captain brandished the buge silver cup and the night was given to dancing and feasting before the long trek back down the pass and start of the snows, marking the

### Controversial NZ minister given junior portfolios

MR ROGER Douglas, New Zealand's former Minister of Finance, was given portfolios far removed from economics by the new Prime Minister, Mr Geoffrey Palmer, when he appointed his new cabinet yesterday, writes Terry Hall in

Wellington.
At the same time, Mr Palmer gave Mr David Lange, the for-mer prime minister, two minis-terial posts - Attorney-General and Minister of State - both outside the cabinet. Mr Palmer made it clear that Mr Lange would continue to play an important role in gov-ernment. He said Mr Lange's legal expertise would enable

him to "roam in a fairly wide-ranging way" to other portfo-lios, including education.

Mr Lange had been Minister
of Education and had been pushing through a series of

reforms to schools and univer-sities, at the time of his resignation. One of the main surprises of his resignation on Monday was that it was believed he would not be in a position to complete this task. However, Mr Palmer said that in his new role, Mr Lange would be involved in all the

legal drafting needed for education reforms, further underlining the key role he was expec-

ted to play in that sphere. Mr Douglas, whose re-elec-tion to cabinet sparked Mr Lange's resignation on Mon-day, was made Minister of Police and Emigration, ranking 12th out of 19 in the cabinet. His exclusion from the economic area continues Mr Lange's pledge to keep Mr Douglas out of this area. Mr Palmer said Mr Douglas's

talent would be put to good use

in his new portfolios which needed restructuring. He would also be put in charge of the Audit Office and assigned for special projects.

Asked if there was a danger

Asked if there was a danger Mr Douglas and Mr Lange would clash, as both had roles allowing them to roam to other portfolios, Mr Palmer laughed and said: "No. Roger will be working in special projects that I will decide for him."

# Chicago would like to remind everybody that the first four letters of its name are Chic.



Yes, mesdames and messieurs, it's true. The place that Carl Sandburg once described as ...hog butcher to the world." and "...the city of big shoulders" is indeed one of the world's most fashionable locales.

In fact, if old Carl were to stroll the streets of present day Chicago, he'd be stunned by what a grand monde it's become.

Oak Street, for example, dotted with such names as Armani, Versace, Ultimo and Fiorucci, would jar his sensibilities. Then there's State Street. That "Great Street",

as Frank Sinatra has been known to address it in song. No wonder. Block after block is filled with

shop after shop. Electronics. Leather goods. Fashion. You name it and State Street's got it. And anchoring it all are two of the world's great department stores—Carson Pirie Scott and Marshall Field & Co.

Oh yes, there's another fairly popular shopping district. Home to Bloomingdales. Saks. Lord & Taylor, I. Magnin, Bonwit Teller, And other renowned merchants. It's called Michi-

gan Avenue. But to the true fashion enthusiast it also goes by another name. Paradise.

Adding further luster to Chicago's tres chic reputation are such designers as Mark Heister. Becky Bisoulis. And Price-Walton. Legendary photographer Victor Skrebneski. Superstar model Cindu Crawford. And of source the model Cindy Crawford. And, of course, the Apparel Mart. The six million square foot wholesale buying center that attracts over 3 million buyer visits a year.

For information on special tours of one of the world's true fashion meccas, simply fax us in Brussels at 32-2-5125809.

Chicago. These days, we're not only the city of big shoulders, we're the city of padded shoulders as well.

Chicago. The American Renaissance.

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### Ports company willing to handle **PCB** shipments

By John Hunt, Environment Correspondent

ASSOCIATED British Ports, the owner of 21 privatised ports in the UK, said yesterday that it was prepared to accept shipments of polychlorinated hiphenyls (PCBs), the toxic material that is being refused entry by some other ports.

There is no ban on the handling of PCBs hy Associated British Ports," it said. "It is not for ports to dictata what should or should not he imported."

It said ABP would handle cargo which met British and international regulations and would not endanger the safety and welfare of its employees. ABP handled 96m tonnes of cargo last year, about 25 per cent of the UK total. Its ports

include Southampton, Grimshy, Immlngham, Hull,

Swansea, Cardiff, and Barry.
The consignment of PCBs for
Grosvenor Power Services of Manchester, which was rejected by the port of Tilbury earlier in the week, had met the proper pre-notification requirements regarding safety and packaging. However, the forms were made out for Liver-

pool where the vassel was unable to dock due to a strike. The 1,500 tonnes of PCBs from Canada, which are now destined for the Rechem waste disposal company, have also gone through the correct legal documantation. However, the management of Llverpool Docks has said it would not handle the material

The refusals follow the cam-paign by Greenpeace, the environmental organisation, to block the consignments. Some other docks are taking a simi-

lar line. Mr Paul Horsman, director of the Greepeace toxics unit, said last night he was disap-pointed at the ABP decision. Such toxic materials should remain within their country of origin, be said. Mr Michael Grylls, Conserva-

tive MP for North West Surrey and chairman of the Conserva-tive hackhench trade and industry committee, called on managements of ports to lift their han on PCBs.

"This anarchy is very dan-gerous for international trade,"



Officials check reissned Abbey National shares

### Abbey certificates reissue amid claims of sabotage

By David Barchard

MORE THAN 365,000 Abbey National sbareholders whose certificates were hurned should receive replacement documents in the next few days, according to Lloyds Bank, who are acting as registrar for Abbey National's share issue.

Meanwhile Mr Alex Scott, owner of Business Mailing Services, the firm in Greenwich, south London, outside which the certificates are believed to have been hurned in skips, yes-terday issued a statement through Goldkorn Mathias, his solicitor, claiming that malicious persons had conspired to injure the company hy staging

The statement said the company, which handled mailing of about one fifth of the share certificates for Lloyds, had started work on putting them into envelopes under supervi-sion of officials from Lloyds and Midland hanks and that no certificates bad been hurned while the company was respon-

sible for them.

Mr Scott was said to be outraged at allegations made against himself and his company and said that letters before action and writs for def-amation would be issued shortly to a number of newspa-

More than 350,000 Abbey National share certificates which should have been posted to investors on July 11 have failed to arrive. Scotland Yard said yesterday

two former employees of Busi-ness Mailing Services had been arrested on Tuesday this week. but this was not directly connected with the burning of Ahbey National share certifi-cates. Police had arrested a man in connection with the incident on July 28, hut later released him. Some unspecified items bad been seized at the

Lloyds, who say they are working round the clock to deliver the new certificates. admitted that some tens of thousands of shareholders living in certain areas will still be without certificates. "Informa-tioo from them is still being processed and their certificates will be sent as soon as possi-ble," it said.

Complacent managements,

faced with imports from the Far East and under pressure from a then high pound which unsettled their export-orientated industry, accelerated pro-

grammes of factory closures.

The result was that a trade surplus of £22m in 1978 became

a deficit of £5m in 1979, £63m

the following year and a deficit of £245m by last year, accord-ing to gloomy statistics from the British Toy and Hobby

Manufacturers Association.

The past few years, however, have witnessed a few encour-

aging signs. Total output from

terms during the previous

### Alcan plant to shed 240 jobs as orders fall

By Anthony Moreton, Welsh Correspondent

BRITISH ALCAN Rolled Products is to shed 240 work-ers at its plant in Newport, Gwent, following baavlerthan-expacted losses in the first half of this year.

A tail off in orders, severe price competition in Europe and a restructuring of the company's European market-ing strategy for its rolled-aln-minium products have contrib-uted to the plant falling into the red. The loss is understood to be about 50 per cent higher than the company budgeted for and runs into several mil-

The Newport plant is the largest in British Alcan's British operations and the cuts In the workforce, which will reduce the number on the site to about 1,000, will be phased over the next 18 months. Over the past four years £50m has been spent at the plant, opened in 1939, to bring pro-ductivity standards up to levels in West Germany and

France.

British Alcan is just coming to the end of a £10m investment. Turnover from the plant is running at a little over

Mr Dale Thomas, plant director, sald in Newport: "There has been a heavy operating loss in the first six months of this year componnded by a downturn in orders and falling sales reve-

"The company has been reorganising its husiness so that we can make a greater impact in the European market. We have been cutting out small orders and some prodncts such as litho rolling for the printing industry have

British Alcan is prohably best known for its Baco foil. The whole of the UK market the whole of the UK market for foil is supplied by Newport. It also makes secure hottle tops for the spirits industry, paint stock, flatsheet products, beat-exchange material for the motor industry and the outer skins of aircraft. The redundancies are the

first big setback to the econ-omy of south-east Wales for some time and will be seen as a reminder that its manufacturing hase remains fragile and needs considerable nurturing before it is able to withcyclical downturn.

#### **Boots fined for** overcharging

BOOTS, the chemist chain was yesterday ordered to pay more than £5,400 in fines and costs after admitting 17

offences of overcharging.
The company told Tiverton magistrates in Devon that a new price checking system had been introduced nation-The court beard that most

incidents - at stores in Holsworthy, Tiverton and Axminster - involved pennies, hut the highest was 70p. At the same court, Safeway

supermarket admitted slx charges and was fined £400 on each charge and ordered to pay costs of £396 for selling underweight meat. A meat pricing machine at the company's Tiverton store was wrongly

## Demonstrating a wealth of poor service David Lascelles explains why the human touch is vital in a competitive world

HEN Napoleon accused Britain of being a nation of shopkeepers, it was obvious he had never visited the place.

If he had, be would quickly have found the British are not very good at serving customers. Indeed, some people might say the traditions of the café

garçon in his own country are

far more indicative of a service mentality than anything he would find in Britain.

But how justified is this widely-held notion that service is poor here? Are visions of scruffy cafés, dirty trains, indifferent hank clerks and lazy council officials typical? And if so, does this mean the British have an in-built resistance to satisfying their customers? Or is the customer to hame for not being insistent

Two examples, culled from personal observation, highlight these questions in different

ways. One is Foyles, supposedly Britain's leading bookshop but in reality a nightmarish rabblt warren from which notions of service seem to he largely

absent.

The antique, finger-pinching lifts, the piles of books cluttering the floor, the sweaty air, the difficulty of finding anyone who can help . . . it is astonishing that it manages to survive at all, particularly when shopping for books in Dillons up the road is such a pleasure. Yet it does, probably because Yet it does, probably because the public has a nostalgic preference for idiosyncratic, family-run businesses, and doesn't demand – indeed feels uneasy about - slick service. The British do, after all, equate slick-ness with shallowness, and therefore humbling cosiness

with quality of a kind.

A quite different example is
Dovercourt, the large Volkswagen dealership in north London, owned by Lonrho, the UK multinational.

Contrary to the notions of reliability and quality associ-ated with VW, Dovercourt is a most unpleasant company to

**IMAGES** OF BRITAIN



Service

dards most of us associate with the motor trade. The atmosphere is dingy, the employees unsmiling, the charges breath-takingly high, and the chances of actually discussing your car's problem with the mechanic who worked on it rather remote. On a recent visit there, even the public telephone and the coffee machine in the grimy recep-tion area were out of order.

Whether Dovercourt demonstrates the British ability to corrupt the high standards of foreigners, or merely proves VW does not deserve its qual-ity image, it fulfills the preju-dices most people have about faceless industrial conglomer-

In trying to get to the bottom of the service question, I had numerous discussions with representatives of businesses like retailing, catering, bank-ing and tourism, and all of these confirmed the impression that service quality is a major

But the buck passes in never-ending circles, Employers blame staff shortages and low quality personnel, employees blame sbort-sighted management, management experts blame corporate structures, and other sorts of experts blame customers for not insisting on - or knowing - their

These are sweeping judg-

OF COURSE IT'S COLD. IF YOU'D TOLD ME YOU WANTED IT HOT YOU WOULDN'T HAVE HAD TO WATT SO LONG FOR IT



ments of course. There are many ways in which British service is among the best in the world: the extraordinary efficiency of London's cab drivers, the welcome at the best sort of English puh, tha unfussy value obtainable at the superior high street chain stores. In some luxury markets, British brand names have

kets, British brand names have even become cynosures.
But whether or not these bright spots make up for the general sloppiness elsewhere, the more encouraging point that came out of my discussions is that service quality is obviously rising up the list of management preoccupations. It may still not be number one, but it's measurable where previously it was non-existent.

previously it was non-existent. What seems to have changed is that companies no longer view service quality as a costly frill but as something which actu-ally enhances their business

"I think service will become the main competitive factor in the 1990's," one of Britain's

leading retailers told me, though he admitted this was because all other competitive factors, like pricing, siting and

design had now been exhausted. The British Tourist Authority is also trying to push up service standards. It says the problem is the low status accorded to jobs where sarvice is important: booking clerks, waiters, train and bus conduc-

Few of the people in these jobs either believe in, or have had instilled into them, an awareness of service. A lot of training is now being done, but staff turnover is high — and seasonal — and all this pre-vents a service culture taking

The BTA's surveys show a moderately encouragingly level of satisfaction with botels (more than two-thirds of visitors are at least "fairly satisfied"), though between the last two surveys in 1986 and 1987 the trend wersened a bit. Where there is dissatisfaction

it tends to focus mainly on poor value for money rather than standards of basvice, But value is, of course, a facet of service quality.

At Dovercent, with whom I had long discussions, the management admitted standards

agement admitted standards were unsatisfactory, though it insisted the St. John's Wood garage I used was probably the worst in the group because of exceptionally high staff turnover and operating costs.

It olaims to be trying to improve the place. The budget was recently increased, and it tries to keep staff on their toes by sending in investigators masquerading as customers.

However, I came away with a strong sense that the conglomerate approach of hudgets, controls and pressure was

controls and pressure was unlikely to nurture that vital ingradient of genuine personal interest which makes for real

This is not to say major

This is not to say major changes in attitude cannot be achieved, even in large groups. The classic and much-quoted example is British Airways whose service improvement campaign has achieved truly astonishing results.

But even here, I found people who were ready to criticise. Service had improved, they agreed, but in the process it had jost the human touch: instead of shabblness there was the switch on smile. I now see other British companies see other British companies making mock in their adver-tisements of the American habit of saying "Have a nice day!" — the phrase which stands for mechanical service at its worst.

at its worst.

In short, the British seem to have an ambiguous attitude towards servica, which prevents it rising to greater heights. They dislike flith, hassle, rudeness and poor value.

But they are just as suspicious of things that move too smoothly. Few peopla would regret the passing of Dovercourt, but I could imagine a major public outery at the dismajor public outery at the disappearance of Foyles. Maybe the British only get the service

### Labour lead in polls mocked by Chalker

By Michael Cassell, Political Correspondent

DEMANDS for proportional representation being made by delegates to Labour's antumn conference were "a candid admission" that the party would never again win power Chalker, the Minister for Overseas Development, said yester-

Talking to party workers in her Wallasey constituency, Mrs Chalker belittled Labour's poll lead, claiming it was lower than it had been at the same stage in both the first and second terms of the Conservative

She said tha new-found interest in proportional representation, which is being resisted by Mr Kinnock, showed party memhers did not helieve Labour could win without a

new electoral system.

Mrs Chalker claimed that the party's memhership was still declining rapidly, leaving Labour firmly in the hands of the trade union block vote. Mrs Chalker was firing the latest salvo in an orchestrated campaign by ministers to turn the political apotlight on

Labour and to demonstrate that the party is unfit to gov-

The offensiva comes as Labour continues to enjoy a commanding lead in the opin-Gallup 9000 for the Daily Tele-graph showed the Opposition's lead being cut from 12 weight d being cut from 13 points

to 10.5 points.

Labour leaders are taking encouragement from the Government's attack, which they interpret as a sign of genuine nervousness about its own position and confirmation that the Lahour party is again being seen as a real electoral

Mr Neil Kinnock, the party leader, is looking for a successful autumn conference to put the seal on the two-year policy review which will form the basis for Labour's next election

Plans for the election cam-paign are already under scru-tiny and a detailed battle plan is expected to have been drawn up for consideration by the party leadership after the conference.

### Buy-out advocate is forced to quit WDA

By Anthony Moreton.

THE WELSH Development Agency yesterday parted com-pany with one of the two senior executives who in June put up a proposal for a man-agement buy-out of its west

A carefully-worded state-ment from the WDA's Cardiff headquarters said that "the proposal to buy the west Wales operation of the agency makes continuance of his (Mr Wyn

Pryce's) position as regional director untenable."

Tha other executive involved, Mr Viv Lote, investment manager in the region, is on holiday. It is expected his position will be reviewed on his return later this month.
This is the second occasion in a month that the WDA has

released a senior executive in released a senior executive in its organisation or one closely associated with it. Mr Norman Myerscough, investment director of the Welsh Venture Capital Fund, in which the WDA has a 50 per cent stake, also had to relinquisb full-tima executive responsibilities. executive responsibilities.

Nelther the WDA nor Mr
Pryce would comment on the statement last night but Mr Pryce has been compensated for "commendable service" fol-lowing the abrupt termination of his contract.

The affair has caused consid-WDA because there are reports, strongly denied by Dr Gwyn Jones, the chairman, that proposals exist for the hiv-ing off, or privatisation, of parts of its activities.

These reports have been denied in the House of Com-mons by Mr Peter Walker, Sec-retary of State for Wales, and they ware aqually firmly denied by Mr David Water-stone, chief executive of tha WDA, at the presentation of the agency's annual report in Cardiff in July. Mr Pryce is expected to set

up his own business which will complement the work in the area undertaken by the WDA. The core of the Pryce-Lote proposal was that they could out-side the WDA, generate more factory building than had been allocated to the area in the agency's present development programme.

after collapse of its parent, Mettoy. Since then, it has raised sales from 28m to £14m,

produced 15m vehicles last

year and employs 400.

Corgi remains a tiny company compared to its heyday in

the 1970s when it employed 2,500 and was churning out 60m die-cast vehicles a year. It has had a lot of success in

the past two years, however, with its Corgi Classics range of collectable miniatures in the traditional 1/43 scale. It claims

### Stores scour stocks after beans scare

By David Churchill

TESCO was yesterday among the first grocery retailers to react to the latest discovery of foodstuffs that had been tampered with.

The supermarket announced that it had issued instructions to all stores to check stocks of HP baked beans and withdraw from sale those cans identified as possibly having heen tampered with.
The move followed a request

by HP Foods to all food retailers to check their stocks after slivers of glass had been dis-covered in some cans of beans. Other leading retail chains yesterday followed the Tesco lead and withdrew from the shelves all HP beans consid-

The suspect cans were manufactured at the HP canning plant at North Walsham, Norfolk. A police investigation into the tampering is continuing.

HP Foods said yesterday that it regretted "the inconvenience caused to its consumers and retail customers but our prime concern must be the safety of

The company stressed that no blackmail demands had been made The latest discovery of contaminated cans uf beans by consumers in north-aast England follows a similar case last month, when 13 cans of beans were found to have been

beans were found to have been tampered with.
Chief Superintendent Alan Smith, head of Norfolk CID, said yesterday: "We are as certain as we can be that the contaminant is heing inserted maliciously."
He added: "We have interviewed staff at the factory and also widened the net to include

also widened the net to include former employees, delivery drivers and any other people connected with the factory on the dates of the contamina-tion."

#### Call to set up food ministry THE Government is out of

touch with public interests and should set up a Ministry of Food, according to the London Food Commission, a watchdog

group.

The commission said yesterday that people were becoming increasingly concerned about food quality while the Government concentrated most of its attention on cutting costs.

It called for a review of food policy, including the way the Government handles bealth and safety issues. It also wants an annual national and European food policy conference, at which consumers and industry would be equally represented. The commission said recent food scares appeared to have taken the Government by sur-prise.

### John Lewis cuts stores' sales budget

By Maggle Urry

DISAPPOINTING sales linked to high interest rates have hit consumer spending so the John Lewis Partnership bas moved to cut its department stores sales hudgets for the sec-ond half of its year.

John Lewis had expected its stores to show a sales increase of 9.4 per cent in its first half, over the same period the previous year. However, the increase turned out at 5.8 per cent in the 26 weeks to July 29. Trading had been satisfactory in the first three months hut tailed off in May and was "very disappointing in July," the

group said. The first week of the secood half was "an inauspicious opening" to the period, John Lewis said. Whereas a year ago sales of electrical goods, car-pets and furniture had been strong, these areas fared badly this year. Sales for the week to August

5 fell just short of £17m and only reached this level because a new store opened at High Wycombe, Buckinghamshire, this year. Another store, in Aberdeen, north-east Scotland, is due to open shortly. John Lewis's Waitrose food

stores, by contrast, has seen its sales forecasts increased marginally from 6.0 per cent in the first half to 6.1 per ceot in the first half t second. The estimate was easily beaten in the first half, with sales rising 8.3 per cent.

# Trade in Toytown is certainly no laughing matter

Nick Garnett finds that competition is tough and casualties many in the fun and games business

companies during the 1980s. The country's hig suppliers like Airfix, Mettoy, and Lesney, once some of the world's great toy makers, ran aground soon after the decade Top brand names like Corgi, Dinky, Chad Valley and Hornhy have subsequently been tossed around from company to company like confetti. Meccano was re-established, hut as a Freoch husiness. Like so many consumer industries, the UK toy business started a headlong slide into trade deficit which it has been unable to reverse.

At the crossroads: the fiercest toy shop battles are waged with die-cast model cars

bird, which is now the higgest UK-owned toy maker having absorbed Merit and Peter Pan, has been growing quickly.

A few of the great brands have made a comeback as British companies. Hornby, which makes model trains as famous in the UK as those of Marklin in the UK as those of Marklin of West Germany are in the whole of Europe, is doing well now. With its other products such as Scalextric racing cars, it made a profit of £2.4m last year on sales of £23.5m.

One area where Britain has been trying to keep its head above water in the face of a wave of Asian-made low cost products and some up-market ones, is die-cast model cars.
On the face of it, this attempt runs against the tide of history. Spot-On, Crescent and Lone Star fell by the way-side long ago while Dinky, in decline from the 1960s, is now a brand produced in Maczo, China. Matchbox, which was once part of a 14-factory empire once part of a 14-factory empire run by Lesney in Britain, is now owned by Universal, a toy company controlled by a Hong Kong businessman and supply ing solely from factories in Shanghai and Macao. While the UK produced £37m of die-casts 15 years ago,

controlled 95 per cent of

deficit on this trade. Yet three British companies have survived as manufactur-ers in the UK. Corgi is a main-stream die-cast model maker while Liedo (toy vintage and veteran vehicles) and Britains' Petite (farm machinery and highway equipment) are two much smaller niche producers. They have done this evan though car building in Toytown remains as rough as ever.
Mr Nick Austin, managing director of Matchbox Toys, the biggest importer of miniature vehicles made in the Far East,

Speaking about a recent

leaves you in no doubt about

80 Source : British Toy and Hobby Manufac

**UK Toy Sector** 

Balance of trade (£m)

box aimed against Corgl, Mr Austin says bluntly: "Every pound we take out of their till hurts their cashflow, restricts their product development and slows their growth. We have a very long-term view."

Corgi has taken on its shoul-

ders the role of putting up a mainstream fight against Far East imports. Perhaps howing to fate and the low-cost attractions of producing in the Far East, Corgi itself bas just started up joint venture manufacturing in China. However it does not yet import from there into the UK.

85 88

The company based in Swansea, was a management buy-out in 1964 from the receiver

more than 20 per cent of the £65m dia-cast market in Britain, and up to six months ago was taking market share away from Matchbox in the smaller three-inch models.

Matchbox, which has more than a quarter of the market

than a quarter of the market, has fought back ruthlessly. Bypassing distributors and putting its three inch models in multipacks of three or more at a retail price of 50p per model or less, Matchbox has re-couped a lot of lost ground. It also re-introduced the much more expensive 1/43 scale Dinky last year. Its nine models a year are aimed at the Corgi Classics range and at European producers like Majorette of France and Rio of

Italy.

Mr Austin at Matchbox,
which closed its last remaining
UK factory last year, says manufacturing in the Far East was a must to survive. Without it. it would have left us completely disadvantaged against other Far East producers."

seven years. the home market, and exported £23m wortb, it is now in Some companies like Bluecontinental European-mada in the month of the contract o

### Labour steps up its campaign against poll tax

By Michael Cassell, Political Correspondent

LABOUR yesterday stepped up its campaign against the Community Charge, claiming some people on income support could have nearly all that benefit clawed back to help pay

Mr David Blunkett, Labour'e local government apokesman. left with just 10p in income support benefit after deduc-tions made to pay outstanding

tions made to pay outstanding poll tax bills.

He claimed the possibility had been fully spelled out in a leaked. Department of Social Security document which outlines ways in which arrears can be deducted from income support payments, but not from other benefits. from other benefits.

Mr Blunkett said the docu-

ment demonstrated how seriously the poor would he hit by the tax, which will be intro-duced in England and Wales next April; and added: "The document is an explosive indictment of the horrors of

the cost of the poll tax.

"The DSS clearly accepts that hundreds of thousands of people already on the hreadline will simply not be able to pay their poll tax bills. "If arrears huild up then

claimants could be left with as little as 10p of their income support to live on — e sickening indictment of the possible effects of poll tax."
The DSS denied the document had been leaked, saying

public when it was sent to local authority umbrella groups in June. mum amount that could he

it was part of a circular made An offical stressed the maxideducted to pay poll tax arrears was £1.75 for single people and £2.75 for couples.



However no-one who received less than £1.84 a week in income support would be sub-ject to any deductions. She said there would never

horrors of the poll tax

be a case where somebody was expected to live on 10p a week. The Department stressed that income support was increased in October epecifi-cally to halp meet the 20 per cent minimum contribution which claimants were expected to make towards the poli tax. The one-off increases were

£1.15 for single people under 25, £1.30 for single people over 25 and £2.30 for couples. Mr Blunkett disclosed that tha DSS document forecasts about 600,000 cases of poll tax

payment deductions from benefit recipients.

He argued that total administrative and staffing costs involved in collecting the arrears would amount to £32m and that this money could be saved if those on basic benefit were allowed a 100 per cent rebate on the poll tax.

### **EMPLOYMENT**

### Minister voices worry over pay award levels Bus drivers'

By Michael Cassell and Michael Smith

MOUNTING <u>ministerial</u> concern over the prevailing level of pay settlements emerged publicly yesterday, when Mr David Hunt, the Minister for Local Government, warned of a possible return to even higher rates of inflation. Mr Hunt said he was "very surprised" that the local authorities had ahandoned

attempts to accompany their 8.8 per cent settlement with

added: "If we go on like this, then we really are going to get back to the bad old days under Labour, when we had inflation of 15.6 per cent on average." His commente came as

employers and union leaders considered the effects of the local government deal on impending wage negotiations. Nupe, the local government union, said it would be pressing for pay rises of 9.5 per cent

Other workers still to settle wage deals include ambulance workers and post office counter staff, who have rejected packages of 6.5 per cent and 8.5 per cent respec-tively, and are balloting on industrial action.

Mr Hunt stressed that councils would have to fund the deal themselves. "Local author-ities can be under no illusions about the consequences of this settlement. It is going to be up

to them to make savings to help pay for the cost and, if savings are not made, commu-nity charge bills are going to be higher.

Mr Hunt said the pay award would have a serious effect on inflation. "Although Nalgo may be saying they have won a

great victory, I believe every-body bas lost," he added. Wage trends in the public and private sectors are worry-ing ministers far more than the

original prospect of a fresh wave of industrial disputee. some of which have now been resolved with high, no-stringsattached settlements.

Mrs Thatcher has not confined her condemnation of high pay deals for public sector workers, arguing that top sal-ary earners must set an example to others.

Nalgo yesterday dismissed Mr Hunt'e comments as sour

### productivity improvements. He No need to compromise with the councils

Michael Smith looks at Nalgo's victory on two counts in the local government dispute

arrived at talks to settle the local gov-pay dispute two days ago they were prepared to com-promise. They hardly needed

By the end of the day, they came out with a deal which even the more optimistic among them had not thought possible when the dispute

began two months ago.

Although they missed the 9
per cent pay deal they had
indicated would be acceptable on Thursday morning, they came close with an 8.8 per cent overall rise and up to 9.5 per cent increase for low paid workers.

On the other issue of the dispate – national pay bargaining – they emerged completely victorious, having forced the employers to abandon their proposals.

The settlement is the latest

of three significant union victories in this summer's season of industrial discontent. Like British Rail and London Underground, the local authorities have conceded rises higher than the rate of inflation and failed to secure any of the productivity concessions they The councils emerge from the white-collar dispute

severely weakened for pay negotiations with other groups of workers. They are also under heavy fire from a Gov-ernment which is already no lover of local government. Some Concervative-con-

trolled anthorities are angry that they have been forced under pressure from Labour-controlled councils to abandon – at least for the moment – their plan to devolve more collective bargaining from national to local level.

Eventually, they say, tha national bargaining structure will be weakened by its rigid-ity, and mora councils will negotiate their own deals in

The most immediate - and expensive - result of the dispnte, however, is the precedent it sets for future deals. Union leaders of 1m local government manual workers have their eyes on the 9.5 per cent echieved by the lowest paid Nalgo members. Also still to come this year are deals to cover 455 council chief every cover 456 council chief executives and 6,000 chief officers, and negotiations for magis-trates office clerks and proba-

tion officers. The last local authority pay deal that attracted public criti-cism from the Government was the 10.6 per cent award to man-



David Thomas: advice for Acas referral was rejected

ual workers two years ago. The deal included axtensive restructuring of grades and more local flexibility in rates.

The councils' troubles over white-collar pay stem from a decision last year to introduce more flexibility and a similar degree of local discretion into bargaining. It pleased the Gov-ernment hat set the 500 coun-cils on e collision course with the unions, which feared it would dilute their power and lead to weak union branches being bullied by employers. Nalgo had twice in the previ-

ous three years balloted mem-

hers on pay and both times members had said no. This year was different. After years of seeing private

ector pay settlements outstrip their own, members were more ready to fight over what was then a 7 per cent pay offer. Union leaders also had the stick of the bargaining propos-als, which would give councils more power over fixing grades and work hours.

They then chose their strategy carefully. Although the initial six days of national strikes hit everyone's pockets, they were limited enough to ensure support of a claimed 90 per cent of membership and at least 50 per cent. In the subse-quent selective strikes by key workers no-one lost out, because the union gave every-one who took action full

take-home pay.

By contrast some councils were hit hard. In Chester-le-Street, County Durham, only 11 Nalgo members were on strike hut they effectively closed down the switchboard. reduced income from house rents and rates, and closed the computer section. Chester-le-Street wrote to the employers negotiators this week to urge

an 8.8 per cent offer. Employer solidarity on the so-called "strings" was also ing altogether.

Sonnet. Nalgo national officer, many of the employers did not even understand the changes. Thet is denied by Mr David Thomas, secretary of Lacsab,

the local authority advisory board which co-ordinates the employers' strategy.

He had seen the writing on the wall five weeks ago, however, when he told the board he did not think authorities had the stomach for a protracted fight. His advice of referring the dispute to Acas, the conciliation service, was rejected.

Arhitration was an option on Thursday. The Labour-con-trolled Scottish authorities. however, had little interest in the strings proposals. They wanted an early resolution and persuaded other Labour-controlled authorities to follow their line.

Tory-controlled councils were less open to persuasion. They opposed particularly the "hottom-loading" of the pay deal towards lower-paid grades. It remains to be seen whether Tory councils with the existing freedom to pay supplements to scarce skilled workers will be sufficiently disentents to the scarce of the sc

chanted with the result to

hreak out of national bargain-

### strike hits **E** Midlands services

By Richard Tomkins. Midlands Correspondent

BUS services in Derbyshire and the East Midlands were disrupted yesterday, when most of the Derby-hased Trent Bus Company's 600 drivers staged the first of a series of one-day strikes in support of a pay claim.

The drivers, all members of the Transport and General Workers Union, have rejected the management's offer of a 7.16 per cent rise. They sre demanding an increase of at east the rate of inflation, cur-

rently 8.3 per cent. The strike, which the drivers have threatened to repeat every Friday indefinitely, is further evidence of transport workers' militant mood follow-ing the British Rail and London Underground strikes.

Trent, a private company whose red-and-silver huses link small towns and rural areas in Derhyshire and surrounding counties, was yesterday operat-ing fewer than 10 buses. They were driven by employees who had crossed picket lines.

Mr Ian Morgan, commercial director, said the pay offer was one of the highest in the industry this year and was all the company could afford. "We don't fix our pay offers

in relation to inflation. Last year inflatioo was 3.3 per cent on settlement date, but our regular drivers were awarded 6.3 per cent over 15 months. I don't think they would have been very pleased if we had used the inflation rate as a henchmark last year, and I don't see why things should he any different this year."

 Road baulage drivers will seek substantial pay increases and a reduction in working hours during forthcoming pay negotiations, the Transport and General Workers' Union said yesterday.

### Isle of Man needs to 'diversify for 1992'

By Sue Stuart

12 ( 1 × × C)

THE ISLE of Man must areas is recommended rather strengthen and diversify its financial services if it is to ben-efit from the dismantling of pean Community countries. The report says: "In the fale according to a report prepared, of Man we see the greatest

tionship with the Community as a result of its political and coonomic ties with the UK. The Isle of Man is treated as EC customs territory and abides by EC rules on trade and agriculture, but does not contribute to Community funds.

However the report, com-piled by KPMG Peat Marwick McLintock, says the island's economy remains vulnerable to: future trends largely because of its dependence on its two main growth areas, financial services and high technology

engineering.
The financial services sector accounts for about 30 per cent of the island's national income. Peat Marwick predict that this dependence will rise to about 50 per cent by the mid 1990s.

Diversification within these

than attracting new activities which may detract from tha strength of these existing

or the Manx Government. potential for securing further.
The island, which is not part diversification as being within of the EC, enjoys a special relationship. where a much broader range of products and markets will need to be achieved before the island can be said to be in the top tier of international finance centres."

The island's two key economic strengths are its low tax status and its relationship with

The principal risk to the Isle of Man of the single European market would come from any concerted move by the EC to stem the flow of capital to low tax areas in the context of the liberalisation of capital move-

The Manx Government is recommended to monitor moves in this direction and to prepare a detailed defence of its low tax status to be used if such a move occurs.

### Unions to seek EC funds for meetings

By John Gapper, Labour Correspondent

**EUROPEAN** Community funds may be used to finance meet-ings of unions representatives in companies that operate across EO borders and oppose such co-operation, under an initiative by the European Trades Union Congress.
The British TUC may also

European-wide data network, which could be used by unions wanting to find out information on labour practices, legis-lation, and pay and conditions m other countries.

The moves, disclosed in a TUC report on the Single European Market, indicate that unions will attempt to circum-vent employer hostility to co-operation between their workers in different EC countries by using EC funding. Unions at Unilever are try-

ing to establish a cross-border union grouping to co-ordinate bargaining across Unilever companies in Europe, and similar groups have already been formed in companies including

The report, to be presented to the TUC Congress next month, recommends that: The TUC takes the responsibility for gathering and circu-lating information to European unions on 1992. (It is discussing with Commission officials funding for a data network which unions could access.) Britain enters the Exchange Rate Mechanism quickly at a rate of no more than DM3 to

the pound. (This policy

BRITISH GAS has offered to

increase London weighting rates for white-collar staff by

up to 45 per cent, according to mion leaders.

The move reflects growing

By Michael Smith

British Gas offers 45%

rise in London weighting

reverses the TUC's opposition to entering the ERM when it last discussed the issue in

. Comparisons of wage rates and unit labour costs in European "countries be used by European unions to ensure a apply for EC funding for a productivity, investment and wages across the European labour market.

The report follows the visit of Mr Jaques Delors, European Commission president, to the TUC Congress last year. Mr Delors was well received when he said that the "social dimension" was an integral part of the Single European Market. Figures in the report show

that unit labour costs are relatively level across EC countries in spite of wide differentials in gross hourly earnings. They also show that the growth in earnings has been relatively slow in Britain since 1970.

The report argues that these figures back the argument that low-wege countries such as Portugal are no more efficient in terms of labour productivity than economies with higher wages such as West Germany and Denmark.

On cross-horder union groups, the report says that employers have tended to resist union approaches.

It argues that British unions will have to develop a more sophisticated approach to bargaining on wages and condi-tions in a developing European labour market.

# Unilever Results

SECOND QUARTER

Profit attributable (at constant rates of exchange) for the second quarter increased by 23% over the corresponding period last year to £259 million. Operating profit rose by 19% to £464 million. Our results were enhanced by profit of £27 million before taxation from the sale of our Interest in an office building in Sweden. Without this contribution profit attributable and operating profit would have risen by 14% and 12% respec-

At end June exchange rates the increase In profit attributable is 31% in sterling, 23% in guilders end 12% in dollars.

THE HALF-YEAR

For the half-year, profit attributable increased by 17% to £452 million. During this period sales volume, helped by acquisitions, rose by 5%. Operating profit increased by 16% to £825 million.

In Europe operating profits, excluding exceptionel items, mede modest progress. Volume growth and profitability improved in the latter pert of the period. There wes a strong performance in Frozen Products, particularly ice cream,

A satisfying feature of the half-year results is the progress made in North America and the Rest of the World.

In North America, the rise in operating profit of 53% included a marked increase in margins in most of our compenies. There was also a contribution from the industrial edible

fats businesses acquired in late 1988. In the Rest of the World sales and operating profit improved significantly. In India we made good progress, regaining market share in detergents. The results of our businesses in Chile, Indonesia and Australie advanced

strongly. We continue to expand our operations through an active acquisitions programme. So far this year we have acquired 33 businesses costing almost £1.6 billion including, recently, Calvin Klein Cosmetics and Faberge/

Elizabeth Arden. Over the half-year net interest costs increased as e result of rising interest rates end eddi-

tional borrowing for ecquisitions. Given no unfavourable economic developments, we believe that the performance of the business will be maintained throughout the year.

Secon	d Quarter			Hat	f-Year	
1989 4,827	1988 4,279	Increase 13%	£ millions (unaudited) TURNOVER	1989 9,161	1988 8,259	Increase 11%
464 15 (38)	390 14 (29)	19%	OPERATING PROFIT Income from fixed investments Interest (nel)	825 34 (72)	712 23 (46)	16%
445 (175) 1 (12)	375 (155) (11)	19%	PROFIT GEFORE TAXATION Taxation on profit of the year Taxation adjustmente previous years Outside interests	787 (315) 2 (22)	689 (281) — (21)	14%
259	209	23%	Profil attributable to shareholders Difference on translation of 1989 results at end June	452	387	17%
1S 274	209	31%	PROFIT ATTRIBUTABLE . TO SHAREHOLDERS	26 478	387	23%
14.68p	11.20p	31%	Combined earnings per shere – per 5p of ordinary capital	25.59p	20.73p	23%
			REGIONAL BREAKDOWN	<del></del>		
econd Quar	ter		Half-Year Second Quarte			Helf-Vear

**COMBINED PROFIT STATEMENT (£ millions)** 

				REGIONAL	BREAKDOWN	}			
				(£ m	illions)				•
Second	Quarter		Half	-Year	Second	Quarter		Helf-	-Уеаг
1989	1988		1989	1988	1989	1988		1989	1988
		Turnover					Operating Profit		
2,902	2,630	Europe	5,523	5,099	301	258	Europe	506	465
976	858	North America	1,845	1,622	74	60	North America	140	92
949	791	Rest of the World	1,792	1,538	89	72	Rest of the World	179	155
4,827	4,279	Total	9,161	8,259	464	390	Total	825	712

For copies of Unitever results statement, ple write to: External Affairs Department, P.O. Box 68, Unilever House, London EC4P 48Q.



The results of the third quarter and announcement of interim dividends for 1989 will be published on Friday, 10th November, 1983.

### Small power stations hit by slower rates reductions

By Ian Hamilton Fazey

MANY small independent power stations using environmentally-friendly methods to produce electricity face closure drop as fast as expected.

Members of the Association

of Independent Electricity Producers are at present assessed for rates on a formula used for the chemical industry. This puts them at a disadvantage to state-owned generators, which have their own formula.

For example, a small power station in Buckingbamshire

producing electricity from methane gas seeping out of a landfill rubhish tip paya rates of £16,000. Under the public sector's rules It would be £2,400. The staff of five sell the power for £180,000 a year. Last year, the Department of Energy agreed that from next April, independent producers would be treated similarly to state generators. As a result the rates bills of some independents should drop by

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up to 85 per cent. However, Mr David Hunt, the new minister for local government in the Department of the Environ ment, has now ruled that the rates reductions must be phased in at 10 per cent a

This is in line with the phased introduction of the National Uniform Business Rate next April which will coincide with the first revaluation of commercial property for

15 years. The lack of up-to-date valuations has meant businesses in southern England have been paying rates based on under-valued properties compared with their counterparts in the Midlands and north of

England. Getting property values cor rect across the country will involve an £800m shift of cost from the north to the south. The change is being phased in at 10 per cent per year to ease the shock in the south.

### EC backs paperless trading

THE EUROPEAN Commission is taking pioneering steps to promote "paperless" trading across Europe through the electronic transmission of busi-

ness documentation. This week it awarded a contract valued at 245,000 ecus (£175,000) to a consortium of UK-based companies, involving international Computers, International Network Services and Drew & Associates, for consultancy, project management, motor trade.

software and services associated with paperless trading systems for the European

insurance industry.

The project aims to speed the flow of information within the insurance market by automating the claims pro-

Paperless trading systems or electronic documentation interchange are already in use in the UK insurance market and

skill shortages in the capital and confirms increasing pres-sure on companies to revise terms than last year, when the London allowances. Last week Barclaye Bank said it has offered to raise its London allowances for staff, and the other four major clearing banks are likely to do the

British Gas refused to comment yesterday on its propos-als, but according to Nalgo, the local government union, the company's proposals would increase rates for inner London from £1,856 to £2,500, for metropolitan areas from 1926 to 11,300, and for outer metropolitan areas from £344 to

same shortly.

£500. Mr Dave Stirzaker, national gas officer for Nalgo; said yesterday that union negotiators will tell the company next week that the increases are not enough.
They also want the company to introduce the allowances for Roseland (the rest of the

south-east) areas.

British Gas already pays supplements for some workers outside of the metropolitan area, but these are for scarce skill groups, such as information technology staff.
The rises British Gas is suggesting for London are considerebly more in percentage

top two payments rose from £1,605 and £846. Nalgo says, however, that the payments do not adequately compensate workers for the cost of living in the

Barclays' payment for inner London workers is already £3,000, and the bank is proposing to increase that to £3,200. That would be £700 more than the British Gas payment for central London. The British Gas proposals

for inner London cover 6,000 to

7,000 white-collar staff, says

Nalgo. If the special payments were extended to Roseland another 3,000 workers or so would be covered. British Gas's manual employees are covered by a separate agreement, although their allowances tend to rise in line with those of their staff

Saturday August 12 1989

## A long slog for Britain

THE LATEST assessments of the UK economy from the Bank of England and the Par-is-based Organisation of Economic Co-operation and Devel-opment are reassuring. While warning of the difficulties in interpreting recent economic data, the reports conclude that the Chancellor's tight mone-tary policy is having the desired effects: domestic demand is growing more slowly; inflationary pressures are beginning to subside; and the current account deficit seems to be stahilising, albeit at around 3½ per cent of gross domestic product. All this is good news: a few months ago, wben pressure on sterling forced the authorities to raise interest rates to 14 per cent, the economic picture was far

lo the interim, evidence pointing to a slowdown has accumulated. High interest rates have meant a dismal summer for estate agents; house prices are stable in the country as a whole and falling in the south east. Consumer confidence has weakened. The fall in retail sales in June was the sharpest for a decade; spending on durables is 5 per cent down on last summer's peak. The optimism which fanoed last year's surge in investment is beginning to dis-sipate. Profitability remains nigh but the corporate sector,

unusually, is running a net def icit for a second year. The overall increase in domestic demand in the first quarter was oegligible. More-over there is some evidence that declining coosumer and husiness confidence is starting to have an impact on inflation and the labour market. Dole queues have not yet begun to lengthen, hut the rate of decline of unemployment has fallen significantly. The monthly figures may again become an embarrassment for ministers. At the same time, the growth of underlying earn-ings appears to be stabilising, albeit at a level that would be quite unacceptable in any competitor country. The most encouraging news for ministers is that inflation, at least as measured by the retail prices index, has probably peaked.

### Loss of control

But although the Chancello seems to be regaining his grip on the economy, the extent of his loss of control in 1987-88 is becoming more apparent. As the OECD points out, revisions to statistics have been unusually large. The latest figures show that real domestic demand was growing at an astounding 9.4 per cent in the second half of 1987. Business investment was growing at more than 18 per cent in real

orty-five years ago, Ser-geant Jean-Marc Vernes and Corporal Renaud de

investment hanker. He has kept the manners of the cen-

tral banker he once was, hut he showed his mettle last year

gique, the sprawling Belgian

marketplace. Singled out in

littered his path.

Almost brought down in 1971
by the effects of the collapse of

Garantie Foncière (for which

terms. The question economic historians will struggle to answer is how Mr Nigel Law-son, the architect of the Medium-Term Financial Strategy and a strong believer in mone-tary discipline, could have allowed demand to grow at least three times as fast as potential output. It was this lapse which led to the rise in inflation and the sudden expansion of the current account deficit in 1988.

#### False economy

The episode remains a mystery. The 1987 stock market crash was ohviously a factor because it led governments everywhere to relax policy at precisely the wrong moment. In Britain, the attempt to shadow the D-Mark (however desirable in theory) made mat-ters worse because it led to further inappropriate cuts in interest rates in the first half of 1988. But the fundamental problem had little to do with either theory or policy: any Chaocellor, whatever his heliefs, would have hraked hard had he known what was happening in the real econ-

happening in the real economy. The lesson is that techniques for monitoring the economy — as opposed to forecasting the future — need to be improved substantially. Spending on government statistical services was cut in the early 1980s as part of the public sector efficiency drive. It would he bard to imagine a better example of a false economy.

example of a false economy. example of a false economy.

Failure to comprehend what was happening in the past obviously raises doubts about the present. Might today's consensus view that domestic demand is gently subsiding prove equally wide of the mark? The OECD is certainly alike to this possibility. It alive to this possibility. It warns that high interest rates may not be sufficient to combat inflationary pressures and recommends, as an additional safeguard, a tightening of fiscal policy. The Bank is less explicit about the balance of risks, but seems to favour a

wait and see approach.

The pace of Britain's economic slowdown remains unclear. But the price that will have to be paid for the excessive growth of demand in 1987-88 is becoming painfully clear. The UK is likely to maintain the confidence of overseas investors - and thus avoid a sterling crisis - only if domes tic demand grows more slowly than output for a prolonged period. Since output growth will have to be relatively mod-est in view of inflationary pressures, the outlook for the British consumer is fairly dismal. Mr Lawson may be able to avoid a recession, but the best he can offer is a long hard slog on the economic front.

hen a McDonnell Doug-las Delta rocket blasts off from Cape Canaveral next weekend, it will mark the point of no return for the 10-company consortium backing Britain's largest private sector project after the Channel Tunnel.

The rocket will place in orbit British Satellite Broadcasting's first television satellite. It will be followed by

vision satellite. It will be followed by a second satellite before the end of the year if another launch can he scheduled in time.

Successful launches will make BSB the proud owner of a dedicated, \$300m (£187.5m) system designed to broadcast a high-power, five-channel television service to the UK on specific frequencies allocated by international sion service to the UK on specific frequencies allocated by international agreement. Along the way, BSB has ancountered technical problems, delays and stiff competition from its satellite rival, Mr Rupert Murdoch's Sky Television. The billion-pound battle to be joined next year to sell British viewers television from space will leave little room for more than one victor.

victor In May, the contest looked as if it was over before it had begun. Mr Anthony Simonds-Gooding, BSB's chief executive, had to admit that more than two and a half years after the consortium had been awarded its force it would not be ready to

franchise, it would not be ready to transmit programmes on schedule.

The cruel jibe published by its rival in newspaper advertisements - "Sky: on air. BSB: hot air" - stressed BSB'a difficulties. It had proclaimed a Sep-tember launch and the introduction of a small, flat antenna called the Squar-ial. Neither was forthcoming. Furthermore, there were delays in the devel-

opment of essential microchips.

To add to its embarrassment, Mr
Alan Bond, BSB's leading investor, already facing severe financial difficul-ties, was declared by the Australian Broadcasting Tribunal not to be a "fit

Broadcasting Tribunal not to be a "fit and proper" person to hold a broadcasting licence, a decision he is appealing against.

Already \$423.55m has been committed to the satellite project, hy shareholders including Granada, Pearson (puhlisher of the Financial Times), Chargeurs, the French textile and aviation group, and Reed International ation group, and Reed International as well as Mr Bond. Most of Mr Bond's main £126.7m investment has been paid in cash to BSB or is backed by first class British bank guarantees. His £27.6m sbare of the latest £70m commitment has not yet been

The billion-pound battle to sell Britisb viewers television from space will leave little room for more than one victor

received, although indications have been given that further payments will be made in the autumn. The consor-tium as a whole will have to raise another £400m after the launch to tide the project over an inevitable loss-making period.

Despite the setbacks, Mr Simonds-

Gooding, a marketing man down to his brightly-coloured socks, continues to exude optimism and confidence.

"We really do feel we have a very strong hand," he says, adding that BSB technology will enable a move to higher applies a move to higher applies. higher quality, wider screen televi-sion pictures. Mr Simonds-Gooding is relying on market research which suggests that as many as four fifths of the 4m UK households expressing an interest in satellite television will wait at least until next year before making up their minds about which service to choose. These figures, if accurate, should give BSB a chance in the market.

"We have the power to stop this market. We have done it and we can go on doing it until we are ready to go," says Mr Simonds-Gooding, referring to television advertising camRaymond Snoddy on the hopes and fears accompanying the satellite television project

# BSB reaches the point of no return

paigns designed to persuade consumers not to buy dishes for the Astra satellite (which relays Sky Television's four channels) until they have had a chance to assess the opposition. BSB's range of services will include

BSB's range of services will include a subscription film channel for which the consortium has acquired \$700m worth of rights to show Hollywood films. These deals involve substantial financial guarantees to the studios whether the films are shown or not, making BSB's stake in a successful launch even greater. The consortium also plans to offer channels devoted to sport, general entertainment, factual programming and young people's programming and young people's interests. "If we do what we say we are going to do it will be pretty good."

says Mr Simonds-Gooding. Consumer electronics industry spe-Consumer electronics industry specialists, however, speak of a mixture of arrogance and naïvety at BSB. They say it was unwilling to accept help from the electronics industry or from engineering specialists at the Independent Broadcasting Anthority, the body that regulates satellite broadcasting in the UK. "There was a total myopia in this respect hy BSB. Now I am afraid they are regains Now I am afraid they are reaping some of the consequences," says Mr Bernard Rogers, chairman of the technical committee of the British Radio and Electronic Equipment Manufacturers Association.

He believes RSP grantitives failed to

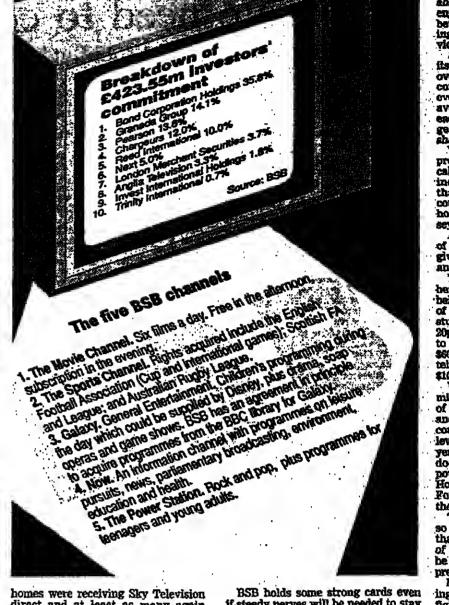
He believes BSB executives failed to appreciate the likelihood of delays with their complex microchips for the receivers, nor the lead time for turning a prototype Squarial into a mass consumer product.

"I'm saying it's March (for the launch), provided the present rate of progress is maintained, saya Mr Simoods Gooding. Some industry sceptics fear, however, that it could be May or June 1990 before the essential microchips are available in large enough quantities, and September before BSB is in a position to mount a full-scale consumer launch.

BSB's difficulties are far from unique among efforts in the last 10 years to launch high power direct-to-home television. The first West German satellite had to be written off after a solar panel failed to open properly. A replacement was put up, apparently successfully, earlier this month. French and Scandinavian satellites have been successfully launched but it is still far from clear what precisely they will offer viewers. Only in Japan has a high-power direct broadcasting satellite service made much headway. NHK, the Japa-nese public service broadcaster. claims more than 1.5m homes take its two-channel service. This month, NHK was sufficiently confident to introduce a Y930 (£4.13) monthly

Unlike the others, however, BSB, has a formidable opponent competing ferociously in its own back yard. Sky Television uses the existing Pal televi-sion standard rather than BSB's untried D-Mac. Mr Murdoch is selling consumers receivers priced from £199 and making other special offers in his five UK national newspapers. By the end of July, according to the FT Satellite Monitor, the monthly

market research newsletter, 127,000



direct and at least as many again through cable networks.

At the end of this month, Mr Mur-doch will announce a multi-million pound marketing initiative for Sky designed to take full advantage of BSB's absence from the market place in the pre-Christmas selling season. Clearly, if BSB falls to produce working technology at a competitive price some time next year, then the

of history's might-have-beens and one of Britain's largest write-offs.

If BSB can show that the technology works and can persuade financial institutions that there is a market, then Mr Ian Clubb, its finance direc-tor, is confident he can raise the £400m of additional finance the company will need probably through debt financing. "We have an anormous equity base. It's just huge. I have no doubt the money can be raised." says

consortium will turn rapidly into one

if steady nerves will be needed to stay in the game long enough to play them. These include:

Films from five of the seven major Hollywood studies, including Columbia, the control of the seven major hollywood studies.

bia, Tristar, Paramount, Universal and MUA/United Artists. • A 15-year official franchise enshrined in British legislation (In Mr Murdoch's case, any change of government in the UK could lead to closer scrutiny of his cross media

 Compact reception equipment. If both satellites are in place, squarials or dishes of 30-35 cm will suffice.

The shility to address subscribers' sets individually from the satellite. This should help to sell one off programmes such as world boxing title fights and promote the satellite's wast data handling capacity as another business alongside entertainment.

• A group of important shareholders

who show no sign of panicking despite the setbacks. Mr Peter Davis, despite the setbacks. Mr Peter Davis, chief executive of Read International, recently declared himself still fully committed to the project although he conceded he had become "more nervous." Mr Alex Bernstein, chairman of Granada, believes that satellite beleviaion will establish itself as a major husiness just as video has over the next decade.

major quantess just as vines has ever the past decade.

What keeps investors in such a high-risk venture is the prospect of huge earnings, should subscription television establish itself successfully in Britain.

The pre-tax profits at Canal Plus, the French over-the-air subscription television channel, were around \$100m last year. Canal Plus has fewer than 3m subscribers but no direct

than 3m subscribers but no direct competition.
If by 1992, 3m bouseholds subscribe to BSB and 70 per cent of them pay \$10 a month for one-third of the available commercial viewing, BSB could enjoy £252m in subscription revenue, between £90m and £100m in advertising income and £15m from data services and individual programme sales. At the moment, BSB is anticipating its first operating profit in 1992-3 and overall profit in 1995-6. McKinsey, the consultants, recently warned, however, that BSB would have to earn an average operating profit of \$275m for

average operating profit of \$275m for each of the 15 years of its franchise to generate an acceptable return on shareholders' investment.

shareholders' investment.
"This is 75 per cent of the total profit earned in 1988 by the top 16 US cable programmers after 10 years of industry development, with more than 50 per cent penetration of a country with more than 80m households," Mr Nick Lovegrove, a McKinsey consultant, argues.

Another consultant, Mr James Lee, of the Boston Consulting Group, has given a starker marning to both HSB and Sky Television.

and Sky Television.

The auction for programme rights between the two rivals, Mr Lee believes, has destroyed the economics of satellite television. The Hollywood studios once selling feature films at 20p a subscriber were suddenly able to demand guarantees of \$400,000 to \$600,000 a film and the cost of buying television programmes shot up from \$10,000 an hour to \$50,000.

Whereas Sky or BSB on their own might have broken even on dish sales of 1.25m, the effects of competition and the auction for programme rights and Sky Television.

of 1.25m, the effects of competition and the anction for programme rights could push this figure to 5m dishes, a level unlikely to be reached for 10 years. Mr Lee believes that Mr Murdoch holds the overall balance of power, perticularly because he owns a Hollywood studio, Twentieth Century Fox, and broadcasting networks in the US and Australia

the US and Australia. But his margin of advantage is not so massive as to make it inevitable that he will be victorious. The clash of the Titzns is, therefore, unlikely to be a first-round knockout as many

predict," be argues.
Mr Lee has argued for partial merg-Mr Lee has argued for partial merging of the two ventures before the fight turns so bloody as to call their viability into question, and has been advising an informal group of BSB shareholders on forms of cooperation.

Though BSB has scorned the idea, Mr Simonds Gooding appeared this week not to rule out some form of merger if the contest got out of hand. "From a business textbook point of view, a merger makes sense, But I can't quite see it in practical terms." can't quite see it in practical terms, he told the trade magazine Broadcast The issue might become more potent

if there is more blood-letting and things get tricky for both of us without a merger. But it must be a merger and not a takeover."

Away from the business textook, however, BSB's current concern is strictly practical: to ensure that, if all goes well at Cape Canaveral, BSB's tortoise matches Mr Murdoch'a hare. "When we do get to market, he is going to be in a lot of difficulty," Mr Simonds-Gooding says.

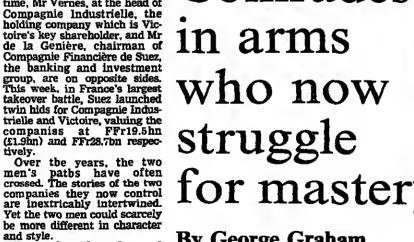
### MAN IN THE NEWS

la Genière fought side hy side in the French army's He Batail-lon de Choc, advancing with Jean-Marc Vernes and Renaud de la Genière

the Allies into Germany.

Today, the battle is only on paper: a tussle for control of Groupe Victoire, one of France's largest and wealthiest insurance companies. And this Comrades time, Mr Vernes, at the head of Compagnie Industrielle, the holding company which is Vic-toire's key shareholder, and Mr in arms de la Genière, chairman of Compagnie Financière de Suez, the banking and investment who now group, are on opposite sides. This week, in France's largest takeover battle, Suez launched twin hids for Compagnie Industrielle and Victoire, valuing the companies at FFr19.5hn (£1.9hn) and FFr28.7bn respecstruggle Over the years, the two men's paths have often crossed. The stories of the two companies they now control are inextricably intertwined. for mastery Yet the two men could scarcely

By George Graham



and style.

Reserved, softly spoken and with an unwavering sense of politeness and rectitude, Mr de la Genière has often surprised people in his new role as an investment hanker. He had icised earlier this year by French stock market regula-tors for inadequate disclosure of the dealings of Beghin-Say,

of the dealings of Beghin-Say, the sugar company which he chairs, with its parent company Ferruzzi.

Born in 1922. Mr Vernes comes from a long line of Frencb Protestant bankera, and became a partner in the family bank, Messieurs Vernes et Cie, in 1959, before transforming it 10 years later into a limited liability company, under the name of Banque ne snowed his mettle last year hy defeating Mr Carlo de Bene-detti, the Italian financier, in a hard fought struggle for con-trol of Societe Generale de Belconglomerate.

Mr Veroes, on the other hand, seems born for tha February by President Fran-cois Mitterrand in a stinging attack on the "gangsters" and "predators" of the stock mar-ket, the outspoken Mr Vernes under the name of Banque

It was this bank that was nationalised in 1982, and evenhas always manoeuvred on the hrink, escaping by a whisker from the disasters that have tually taken over by the Suez group. To rub salt into the wound of the nationalisation, of which Mr Vernes was one of the most ferocious and vocal opponents, it became clear that the state had in fact saved Banhe was banker) in a spectacu-lar property crash, he was critque Vernes, which lost FFr160m in 1983, from the edge

of bankruptcy. It is the nationalisation compensation, shrewdly invested, which was

the bass of the considerable vernes fortune today.
Along the way, Mr Vernes has built up a formidable system of alliances with many of France's leading industrialists, helped by an engaging manner and a considerable capacity for making friends.

His way of life is luxurious, and he is a regular fixture at many of France's most fashionable pheasant shoots. The more academic Mr de la Geniere is more likely to be discovered with a history book in his

After bringing about the takeover of the sugar group Say by its rival Beghin, Mr Vernes succeeded Mr Fernand Beghin at the head of the com-bined group Beghin-Say, now France's largest sugar com-pany. Beghin-Say came under

the control of Ferruzzi, the Italian foods group headed by Mr Raul Gardini, in 1986 and Mr Gardini is now widely expected to be one of Mr Vernes's main backers in his defence.

Mr de la Genière, mean-while, was climbing the ranks of the French administration. Breaking the family medical tradition - his father, grandfather and great-grandfather were surgeons - he attended the Ecole Nationale d'Administration (FNA) the distribution tration (ENA), the elite civil service academy, before prog-ressing to become director of the budget ministry and then, in 1979, Governor of the Bank

of France.
A stalwart defender of the franc through three devaluations, his efforts to persuade the Socialist government of the merits of sound money are credited with contributing to the about-turn in French economic policy in 1983.

Monetary virtue had to be its own reward, bowever. Removed from the Bank of France by the Socialist govern-ment in 1984, it was not until the return of a right wing gov-ernment in 1986 that Mr de la Genière was named as the head of Snez, a venerable financial power which converted itself after the nationalisation of the Suez canal into one of France's principal "ban-ques d'affaires." It was Mr de la Genière who took Suez back into the private sector in a stock market flotation days after the stock market crash of

after the stock market crash of October 1987.

It is said that Mr Vernes had hoped to he given the Suez chalmanship by Prime Minister Jacques Chirac, his friend and political ally. Instead, it was the chairmanship of Compagnie Industrielle that he took over in June this year from the 75 year old Mr Jack Frances.

from the 75 year old Mr Jack Francès.

Mr Francès, once a pariner in the Vernes bank, then chief executive of Snez, led the manoeuvres which kept Victoire – then nominally a Suez subsidiary – in the private sector in 1982 when its parent was taken over by the state it. was taken over by the state. It was one of the most successful resistance movementa to the

resistance movements to the nationalisations.

Suez resisted Victoire's escape, but had to recognise defeat in a formal peace treaty, signed in June 1983, which has governed the finely balanced relations between Suez and Compagnie Industrielle since then.

Last week, the balance broke down, and Suez launched its twin takeover bids in an attempt to clear up a structure in which it has a consolidated financial interest of 42 per cent in Victoire, but hardly any

The struggle appears more than a mundane takeover batthe in the contrasting personal-tities of Mr de la Geniere and Mr Vernes two very different schools of French business are in conflict. With a counterbid from Mr Vernes and his allies now widely expected, it seems likely to be many weeks before the victor emerges.

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The name was chosen because of fears that a tidal wave might result from the explosion. From this has grown the huge Greenpeace International organisation which has been making waves ever since by meticulously planned campaigns to protect wildlife and the environment.

This week it pulled off one of a string of successful publicity coups when it initiated a campaign which caused a Russian ship, the Khudozhnik Saryan, carrying a toxic cargo of PCBe (polychlorinated biphanyls), to be turned away from Tile bury. Other docks immediately instituted

On Tuesday, Charles Kronick, a 33-yearold Greenpeace researcher and anti-toxic waste campaigner, was doing paper work at the organisation's London headquarters tucked away above an antique market in

At dawn on Wednesday, he found him-self piloting a rubber dinghy up the Thames to spearhead the Greenpeace protest against the importation of the hazardous material.

"You cannot deny that there is a certain amount of adrenalin running when you are involved in these confrontations," he says. "You have to take it seriously when you are dealing with ships of that size." "But you don't do it just for the excitement. That and my other work are just two sides of the same thing."

The operation, which generated big headlines and much TV coverage, was a

John Hunt looks at the tactics Greenpeace uses in its campaigns for environmental causes

## Making green waves

classic example of the direct action which is at the core of the Greenpeace philoso-phy. It has used the media ingeniously to focus world attention on the save-thewhale campaign and the long-running bat-tle against French nuclear testing in the Pacific. Local action has involved members hanging banners on Nelson'e column and abseiling from bridges to protest against acid rain.

These tactics set it apart from other environmental groups, some of which look askance at such goings on. But allied to direct action is a belief in non-violence and "bearing witness" against what it per-ceives as the evils of the world which ems from the Quaker faith of some of the

Before the events of this week, Greenpeace London headquarters had been plan-ning an anti-toxics campaign for 18 months and knew that a number of vessels were leaving Canada with PCBs destined for Liverpool.

But the sudden appearance of the Russian vessel with an entirely separate cargo for Tilbury escaped the Greenpeace early warning system, so the protest had to be mounted overnight.

How does the organisation keep track of such complex movements of materials

received a tip-off from a local journalist. Its own supporters also provide a big intelligence network. There are 3.5m supporters worldwide, including 287,000 in Britain where their number is said to be growing at the rate of 2,500 a week.

The organisation does not like to reveal its sources, but it also hears leaks from people within multinational companies and even within government. These "moles" are dismayed at what they see happening to the environment without the public's knowledge. Trade unionists are another prime source of information.

Greenpeace also has its own computer-ised database containing information about shipping movements, company records and toxic materials. Most of the offices in the 22 countries where it has members keep their own records and there is an international exchange of informa-tion with a central database in Amsterdam, the international headquarters.

Income in the UK last year amounted to \$2.5m and are estimated at \$244m for the whole organisation. The main source is the £12-a-year subscription from support-ers. Budgets are worked ont by the national bodies and approved at the annual meeting of Greenpeace's interna-

around the globe? On this occasion, it tional council in Amsterdam on which each country is represented. The money is then parcelled out for particular interna-

tional campaigns.

The British branch was founded in 1977.

Its current director-general is Lord Melchett, the former Labour Environment Minister. He is responsible to a five-member board. Campaigns in Britain are meticulously planned. There are five different units — nuclear disarmament, civil nuclear power, the atmosphere, toxic waste and wildlife. Before any campaign is launched, there is close consultation with Sue Adams, the chief press offer.

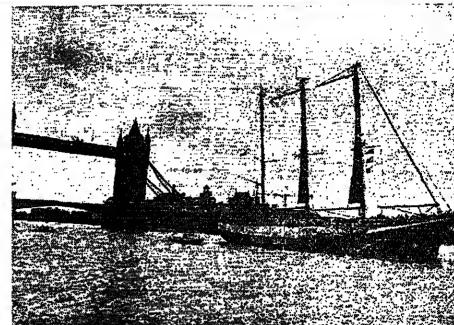
The considerable scientific research needed to back up a campaign is reviewed. The mood of the public is assessed to see if the time is right for action. Ms Adams insists that complex ideas are broken down into words the tabloid newspaper

reader can understand.

Greenpeace activities make good television pictures. "We have a good relationship, but we don't live in each other's pockets," says Ms Adams.

The oversignistic ways has its own televi-

The organisation now has its own television team employing four people and using freelances. Videos are made of its activities and are sometimes ehown by the TV companies. An action unit with a staff



The new Rainbow Warrior: in the Pool of London

of three trains members in diving, clim-

bing and abseiling techniques. It also assesses their physical fitness.

The international organisation runs a fleet of seven vessels. This week, the second Rainbow Warrior, converted from a trawler at a cost of £2.8m, sailed from London with sophisticated communications equipment on board to keep it in

touch with any branch of Greenpeace. The original vessel was sabotaged by French intelligence agents in New Zealand in 1985, in a explosion in which one person died. The organisation is still expanding year, a Greenpeace office was established in the Soviet Union and it is boped that other offices will be opened throughout eastern Europe.

"HOW WAS your night?" has become the standard greeting in Beirut. A certain prestige goes with the closest call, the greatest danger, having a direct hit on your building. The conversation exorcises the evil spirits of the night.

Just like Londoners in the German blitz of 1940, friends and colleagues compare their experiences each Beirut morning. It was terrible in Hamra, they say. Shells every few sec-onds. How was it in Aishee Bekar? There was a man killed in the next building. One man says he knew it would be bad as soon as he saw the Syrians park their trucks in his street for shelter.

It is the same on both sides of the "green line" that divides Beirut into Moslems and Christians. Both communities suffer equally and react in the same way to the same small and great tragedies. Both the Christian leader, General Michel Aoun, and Druze leader Walid Jumblatt have said that the worst is yet to come.

Can it get worse? Jumblatt told an Arab newspaper this week that "Reirnt will become another Stalingrad and its future is very dark, Beirut will be demolished to the ground." By light of day, Beirut tries to slough off its nightmare. An

The worst is yet to come

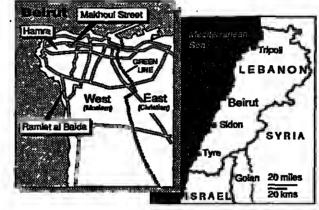
each morning. No amount of daily retelling, however detailed, can recreate the terror of a few hours earlier: what it was like to see my neighbours trembling in the stairwell, crouching in a foetal position, as if reducing the exposed surface of their bodies could lower the chance of injury; how they listened speechless to the hollow boom of ontgoing shells, then endured the short pause — seconds that seemed like an eternity — before an incoming shell crashed like a thunder-bolt and enveloped them in its

rumbling. Each morning, people can be found in the corridors of my office block with a bar of soap and a towel as they look for a friend's home with enough water for a shower. Since mid-

irrational hope seizes the city July the current to pump the precious liquid has come on only once a week and supplies are quickly exhausted. In the humid, 32 deg C (90F)

heat, the lack of water is, after the shellfire, the greatest hardship. Housewives stack cases of Sannine and Sohat Lebanese spring water in their kitchens. But for the poorest residents of the city mineral water is a luxury item. They boll contaminated city water when it is available and save it in old bottles. Twenty-five year-old Rwan

her husband and two small children, abandoned their flat in the Hamra district of West Beirut to stay at her emigrant parents' home in Ramlet al Baida – where a generator provides water and electricity. The young couple quickly cal-The young couple quickly cal-culated artillery trajectories complexion is splotchy and there are dark circles under



Lara Marlowe describes the ordeal of daily life in Beirut as shelling reaches new peaks of intensity

and the relative exposure of the building to shellfire. Hav-ing decided that the dining room was the safest, they assembled the family valuables there - Persian carpets, television sets, diplomas from American universities — along

with mattresses for themselves and their children. Rwan says she has not left the apartment in 20 days because she is too frightened to go out. Her once perfect

her eyes. Yet she refuses to leave Beirnt and join relatives in Africa or the US. "This is my bome, I grew up here. I don't know how I would live somewhere else," she says.

The electricity shortage makes it impossible to run a refrigerator – unless yon can afford vast amounts of gasoline to keep a generator work-

Eating in a restaurant is therefore a risky business. "Is the meat good? Are you sure?" clients of the Spaghetteria ask the waiters, seeking reassur-ance that they won't get food poisoning. Has the Spaghetteria really been running a generator all this time to keep

its meat fresh? Beirnt cnpboards are stocked with tinned goods for the bad days when it is impossible to go out for fresh food. Intrepid vegetable vendors throughout the city - even on the green line - are usually the first to test the calm between artillery battles. On days when there is no shelling, the smell of roasted chicken and schwarma – lamb cooked on a spit – waits down West Beirut streets. Syrian checkpoints are sand-

bag hnts holding one or two soldiers, conscripts in their late 'teens, who silently appraise a car's passengers. When a soldier holds up two fingers in a V sign, it is not a gesture of solidarity: He wants a cigarette. If be is wearing his Soviet-made Second World War-vintage steel helmet, it is a sign that trouble can be

West Beirut has suffered the worst casualties in the conflict between Lebanese Christians and Syrian troops which started in March, but it has been less affected by the blockade. At a supermarket operated by the pro-Iranian Hizbollah militia in the predominantly Shia Moslem sonthern snburbs, women in

chadors fill grocery carts with everything from ean de cologne to peeled tomatoes all imported from Iran and sold at 20 per cent below local prices. But Hizbollah has been battling intermittently against the rival Amal movement for control of the Shia community, the country's largest minority, and few Lebanese are willing to risk their crossfire just to

save on groceries. There bave been bread shortages over the past four months. But for a price, delica-tessens like Goodies and Smiths sell imported cheese, fillet steak and Cadbury's chocolates. Goodies in Verdun Street will even make home deliveries under shellfire. The Sunni Moslem middle classes can still afford the price. But the Lebanese pound notes so beantifully printed by Thomas De La Rue & Company in London have fallen from 2.5 to the

dollar to 500 to the dollar since Beirut became a battle-ground in 1975, forcing customers to carry their currency in large plastic sbopping bags. The Back Street nightclub in Makhoul Street fills up every evening with Lebanese journalists. Red Cross workers and the few foreign diplomats still

in West Beirut. Many of them bave spent bours waiting out artillery battles in the red and black lacquered interior. The clnb is on the ground floor in a narrow street - the next best thing to a basement shelter - and two armed guards at the front door belo to foster a false sense of security. Vestiges of the good life (for ricb Shia Moslems as well as for Sunnis) can still be found

around the pools of the Coral Beach and Summerland Hotels
- where designer swimsuits are de rigeur — and at West Beirut's Golf Club, infelici-tously situated near the airport and the southern suburbs. Dnring the recent Amal-Hiz-bollah gun battles, golfers had to seek refuge in the club house. "Amal was bolding the third bole." a Beirut business-man recalls. "Hizbollah was firing rocket propelled grenades at them from the 16th bole. They made a terrible mess of the course."

### Working figures

From Mr Peter Robinson.
Sir, In his article on the effects of European monetary union (EMU) on regional imbalances in Europe (August 7), Martin Wolf uses OECD information on regional differences in unemployment in order to make the generalisation that European states have worse regional problems than the US. This does not appear to be borne ont by the OECD fig-

The extent of any regional imbalance is best measured by taking the ratio between the unemployment rate in the high unemployment regions and the rate in the low unemployment

regions. A higher ratio signals a worse regional imbalance. In the US, in 1987, the high unemployment regions had an average jobless rate of 8.4 per

cent; 4.1 per cent in the low unemployment regions. The ratio was just over 2. In Britain the ratio was 13.6/7.6: about 1.8. In France the rate was 1.5, and in the Netherlands close to

in Italy, nearly 3.

Clearly it is not possible to generalise about the European countries. Some have more severe regional problems than

The US does have more regional differentiation in pay, and certainly more labour mobility among manual workers. But it does not appear to have any less of a regional problem as a result of these "flexibilities."

Campaign for Work, Tottenham Town Hall, N15

### 'Not just a couple of rocks'

From Mr Paul Grotrian. Gillman's article, "Everest: The Final Challenge" (Week-end FT, August 5). Over the argument on the complete ascent I place myself in the Chris Bonnington camp. The first part of the ascent of North unity. In Germany it was 2.2; East Ridge is so horrifyingly difficult and dangerous that there seems no good reason for

the US - especially Italy but many do not

Peter Robinson

Sir, I was fascinated by Peter Very serions consideration must be given to the possibility that what Odell saw was Mallory and Irvine, and not just a couple of rocks.

it ever to be attempted again. What really intrigues me, and Irvine had patronised; it cannot have belonged to anyhowever, is comment about the North Col route and the attempt by, among others, Mallory and Irvine in 1924. one else.

Your correspondent writes: They will also have to surmount the rock buttresses known as the First and Second Steps. These are among the mythic sites of mountaineering, for it was on one of these steps — no one is quite sure which — that George Mallory and Andrew Irvine were spot-ted as they made their bid for the summit in 1924. Soon after-wards clonds closed round

again. Subsequent parties on the ridge report no traces of the missing men."
A lot of this is open to question. There is nothing mythical about the First and Second Steps; at least three parties have got the better of them. What is important is that the First Step, as seen from below, is something of a swindle: by the standards of anyone capa-

ble of getting that far, you do not have to climb it, you just

them and they were never seen

stroll round it.
This lends considerable force to Odell's impression that he saw what may have been Mallory and Irvine going strong for the top. One of the arguments against this "sighting" was that Mallory and Irvine would have had to overcome the First Step in a time which then was not thought possible. No one doubts Odell's bona fides, nor the fact that he was the subject of an unprecedented form of acclimatisation.

Subsequently there was material evidence that Mallory and/or Irvine had been going right. An ice are was found on the alarming slabs leading to the Great Couloir. The axe had come from a maker in Innsbruck whom both Mallory

Further unusual evidence is now to hand. Tom Holzel, assisted by Andrey Salkeld, has written "The Mystery of Mallory and Irvine," published by Cape in 1986. His main point is that hitherto no one had set out deliberately to look for Mallory or Irvine. He formed a theory as to what had actually happened; and this was confirmed in an astonishing man-

For a long time after the Chinese occupation of Tibet, no Europeans were allowed to attempt the North Col route. One day a Chinaman discovered the frozen corpse of an Englishman, dreseed in the manner that Mallory and Irvine would have been. The clothing was in such a condi-tion as one would expect, and the body was in the place where Holzel predicted Irvine's body would be.

Very unluckily for him - and also unluckily for the search - the Chinaman was killed in an avalanche two days later, before he could be interviewed by anyone who really knew what he was talking about. Investigations continue. It is hoped that one day Mallory and Irvine's note-books and cameras will be discovered. I am sure we have not heard the end of it. Paul R. Grotrian, 19 Twycross Road, Godalming, Surrey

#### Tourism needs a clear lead

From Miss Saruh Dale.
Sir, It was hard to identify a worthy recipient of a bonquet in "Bouquets and Brickbats" (August 5).
What the tourism industry

needs is a rationalised organi-sational chart in which the British Tourist Authority is charged with all tourism pro-motion, both domestically and internationally, executing this through a network of regional tourist boards.

What we do not need is reduction of the English Tour-ist Board to a rump, and abolition of development grants for England - whereas the Scot-tish and Wales tourist boards continue to have overseas representation rights and to administer development funds. In spite of declarations to the

contrary, the present UK Gov-ernment demonstrates a lack of commitment to tourism. It is apparently appropriate to grant subventions to manufacturing industry, while plan-ning to cut in real terms the BTA's grant-in-aid. Government's role as co-or-

dinator in the international market place is vital. When the US Travel Service pulled out of overseas promotion, the US lost 25 per cent of its market share in 10 years. Sarah Dale, The British Incoming Tour Operators' Association, 77 Oxford Street, W1

### A little local difficulty

From Mr Ilityd Harrington. Sir, Mr Stephen Garvin's call for the abolition of local government (Letters, August 7) shattered even my cynicism. Goodness knows, he cannot

have been paying much attention as a member of the Lon-don County Council Education Committee: locally elected people who built an education system which was the envy of the world.

I wonder, in the event of a left-wing government in the UK, whether Mr Garvin would object to it using the instruments of over-centralisation which the present Government would have prepared? Things might then get difficult in his corner of East Sussex.

Ilityd Harrington, Inner London Education Authority, The County Hall, SE1

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"For telephone see local directory. CAR - Annual yield after it

### The disclosure debate

From Mr R.A.J. Waddingham.
Sir, It is sad to learn that the Securities and Investments Board (SIB) has decided against the Consumers' Association, and is to let the insur-ance industry have its own way on disclosure of expenses and commissions (August 4). Rather then declaring expenses in cash terms, insurance com-panies are to be allowed to hide their costs by quoting the equivalent likely reduction in the future investment yield.

Such information is not likely to help the investing public. For some time the insurance industry has "hidden" the front end expenses and commissions on "unitised" policies by the invention of capital units." These units have quoted values, purporting to be marketable values, but the small print says these units cannot be realised at their so

71-4.1

called "market values" because their future investment returns have been debited in advance with, typically, a 4 per cent a year expense charge.
Although this deduction

from future yields was declared, the true effect was concealed. Capital unit holders are aghast when they discover that the real values are often less than half the quoted values. (Indeed it is appalling that newspapers continue to pub-lish "market values" on capital units when such values have

no real meaning.)
The device of capital units has not given even informed investors an inkling of the actual size of front-end expenses, yet this is the approach the SIB has chosen. It should think again. R.A.J. Waddingham, Barnett Woddingham & Co,

11 Tufton Street, SW1

### Pensions and their value

From Mr N.H. Reaman. Sir. Eric Short's item on private sector pensions failing to maintain their real value (August 8) was followed, ironically, by a report that personal pension saids had reached 3.5m. No doubt many had delivered declined membership or opted out of good company schemes. Perhaps some were persuaded to do so by press comment crit-

ical of company schemes fail-ing to use surpluses to improve pensions whose real value has declined. Employers should be given more credit for what they have been able to do to protect pensions, rather than criticism because they failed to achieve an ideal. N.H. Redman, 18 Reedley Road,

Westbury-on-Trym, Bristol

### Hillsborough aftermath

From Mr J. Pendlebury.
Sir, Lord Taylor, in the interim report on the Hillsborough football disaster, is quoted as saying the main reason was failure of police con-

There were many reasons why the disaster occurred, but the one thing responsible for most of the deaths was the perimeter fence, obviously

designed to withstand a pressure well above that which the human body can withstand. Blame must surely attach to those who authorised building the perimeter fence so that pressure could not be relieved in a controlled manner.

Pendlebury, 2 Louvaine Avenue. Barrow Bridge

### North American push gives Unilever £787m

By John Thornhill

STRONG GROWTH in North America combined with more modest progress in Europe, produced a 14 per cent interim profits increase at Unilever. The Anglo-Dntcb consumer products group recorded pre-tax profits of £787m for the six months to June 30, compared with the £689m. Turnover rose

11 per cent to £9.16bn. The second quarter profit at £445m (£375m) was ahead of most forecasts, although £27m was accounted for by the sale of a Swedish office building. Commeoting on the half year figures, Mr Michael Angus, chairman, said: "By and large it has been a pretty

satisfying performance. In particular, be emphasised the strong performances of Unilever's operations in North America and the rest of the world. North American husinesses lifted half year operat-ing profits by 53 per cent to gains. Frozen products, bow-

£140m (£92m) and operating margins improved from 5.6 per cent to 7.6 per cent. This increase was helped by the inclusion of two industrial food companies, Durkee and Pen-

companies, Durkee and Pennant Products, which were acquired in late 1988.

Operating profits for the rest of the world were up 15 per cent to £179m (£155m). Mr Angus said good progress had been made in India as Unilever recovered from a price war in recovered from a price war in the detergent market. Strong advances were also recorded in Chile, Indonesia and Australia. Sales were up hy 17 per cent. In comparison, growth in Europe was more sluggish. Operating profits rose by 9 per cent to £506m (£465m) on turnover ahead by 8 per cent to £5.52bn (£5.1bn). Heavy promotional spending and depressed state of the agricultural market held back further profit



satisfying performance ticularly in ice creams.

ssured value.

But Blue Circle will also ben-

efit as it is protected against

the risk of its share alternative

rising above the cash offer, thereby inhibiting its ability to huy further shares in the mar-

Blue Circle's offer document

is accompanied by a letter

extensive acquisitions policy and has made 33 purchases since the beginning of the year at a cost of almost £1.6bn. This includes the acquisition of two large cosmetic businesses - Cal-vin Klein Cosmetics and Fahergé/Elizaheth Arden -

although both were made after the end of the half year. Attributable profits, which were flattered by exchange rate benefits and exceptional rate benefits and exceptional profits, were 23 per cent higher at £478m (£387m). Earnings were up to 25.59p (20.73p).

Mr Angus eaid provided there were no unfavourable economic developments, the performance would be maintained throughout the year.

Unilever has shown some steady progress and the year as a whole looks steady too; ongoing volume growth was a healthy 5 per cent, of which

acquisitions contributed 2 per cent. North America and the rest of the world fared well but Europe was less vibrant. The company's phenomenal adver-tising hudget of over £1bn a year is a sure indication of its year is a sure indication of its commitment to the future; but some of this expenditure has a decidedly defensive edge. Fears of a flood of super-concentrated Japanese detergents have resulted in a pre-emptive advertising skirmish in Europe. Pre-tax profits for the year are likely to climb to £1.67bn, giving Umilever a prospective multiple of about 12. That represents a marginal dis-That represents a marginal dis-count to the sector which seems grudgingly ungrateful given the longer term view. But it might just be that, after Unilever's recent re-rating, the market is pausing for thought

### Ward White shares fall as plan for buy-out is abandoned its estimate of £33m for the six months to July 31. Mr Robert Gunn, chairms

WARD WHITE, the group facing e 2900m bid from fellow retailer Boots, yesterday aban-doned its hopes of constructing higher price than the bostile offer. a leveraged buy-out deal at a

The news caused Ward White shares to drop 10p to 446p. That allowed Boots, which is bidding 445p per chare, to purchase a further 7.3 per cent holding, taking its total stake to 19,8 per cent.
The Ward White statement said that "detailed and extensive discussions with a number of parties have established that in the current state of the debt

markets it is not possible to create leveraged proposals."

The main proposals under discussion were believed to involve a management huy-out of Payless, the DIY chain,

organised by Charterhouse Bank and a leveraged buy-out of the rest, organised by Shaar

of the rest, organised by Sharison Lehman.
But Mr Philip Birch. Ward
White's chairman, said that in
the wake of the problems of
other retail LBO deals, each as
MrI and Magnet. "providers of
that kind of money became
increasingly concerned about
their exposure to the sector."

Leveraged buy-outs involve
large amounts of debt and the
current high levels of interest
rates have both increased the
costs for companies of servicing that selt and squeezed the
demand for their goods, thus
reducing the cash flow needed
to meet the interest payments.

Ward White is continuing to
reject the Boots offer and is
today expected to publish a
breakdown of its interim prof-

of Boots, said years by that Ward White has been hiding lighted a smokescreen of angjehind a smokescreen of suggestions that there swight be alternative proposals forthcoming to rival our increased offers. In a statement today they have at last made it clear that this is not going to occur. Shareholders should accept our increased offers at once."

The Boots offer, which is final, is due to close on August 22 and will not be extended in the absence of a rival offer.

One group unlikely to be pleased at yesterday's news is US arbitrage fund, Junction Advisors, which has bought a 4.4 per cent stake in Ward

4.4 per cent stake in Ward White at prices of up to 461p, well above the Boots offer.

### Novel alternative for Myson

By John Thornhill

BLUE CIRCLE Industries, the cement end home products company, has included a novel share alternative proposal in its £195.7m agreed offer for Myson, the boiler and radiator

In its formal offer document posted yesterday, Blue Circle offers Myson sharebolders 240p in cash, with a loan note alternative, for every share held. But in addition, it is offering

a share alternative, which will be worked out on a formula basis, at an assured value of 230p per share. It is believed that this is the that such an offer has been made in the UK and needed prior eporoval by the Takeover

The proposal works as fol-lows: when Blue Circle declares its bid unconditional. it will take the average price of its shares over the previous five days and fix that as their valua. It will then be able to determine the number of shares that have to be issued to Myson's shareholders to satisfy the assured price of

from Myson's directors.

They write that Blue Circle's offer is clearly higher than Yale and Valor's earlier £180m Mr Jim McColgan, Blue Cir-cle's joint managing director, said Myson shareholders would bld and that it has strong com-mercial logic.

Spice falls £4.6m into benefit from the proposal because they would receive Blue Circle shares at an the red

By Andrew Hill

SPICE, the tronhled motor parts distributor, yesterday announced first half losses of £4.61m before tax - far greater than the group itself

had expected.
In an attempt to strengthen Spice's battered balance sheet, the USM-quoted group announced its second rights issne within six months. It should raise about £2m in a three-for-four issue at 20p each, against yesterday's close

each, against yesterday's close of 21p, down 5p.

Spice's anditors qualified the accounts, but its bankers have agreed to keep a £4m overdraft facility available until September 1990.

Losses per share were 53.6p (2.5p earnings) for the six months to March 31. No dividend (1.2p) was declared. In the first half of 1987-88, Spice made £268.000 before tax.

made £268,000 before tax. Spice also announced it had bought a 50 per cent stake in a chain of retail outlets in London, providing £300,000 worth of stock.

It has also sold its 25 per cent interest in Spice Engineering to Mr Gordon Spice, who has given up his execu-tive responsibilities as chair-

### PHK decides against valuing trade names.

PFG Hodgson Kenyon International (PHK), the new company formed to bny funeral directors Hodgson Holdings and Kenyon Securi-ties, will not value the trading names of subsidiaries in its

and more growing has to be done before Unilever can expect to harvest the rewards.

The move reverses Febru-ary's controversial decision by Hodgson, the UK's largest quoted funeral director, to put a value of £42m on the names of 80 subsidiaries bought over the last eight years.

Hodgson had argued that when buying a funeral husi-ness, goodwill and the value of ness, goodwill and the value of the trade name were one and the same. The group — Britain's largest gooted funeral director — changed its accounting policy to avoid hav-ing to write off goodwill against capital and reserves, eroding shareholders' funds. But advisers are thought to have told Hodgson that the have told Hodgson that the new accounting procedure would complicate PHR's

expansion plans in Europe and the US, Renyou does not put a value on its trade names. PHK should post its offer document on Monday, indica-tions are that PHK will have a market capitalisation, including ordinary and preference shares, of nearly £100m, com-bined net assets of £25m and borrowings of \$5m.
Some Hodgson shareholders
are upset by the terms of the
deal, which offers equal value
to both groups of investors

despite the fact that Hodgson and Kenyon have different rat-

and Kenyon have different ratings and size.

The merger will initially give Pompes Funëbres Generales, the funeral directing subsidiary of French water company Lyonnaise des Eaux, a 145 per cent state in PhM. That could increase to about 25 per cent with the conversion of preference states acquired from E&C Ventures. British & Commonwealth Holdings' development capital operation.

### Aberfoyle loses resolution on pre-emption rights

By Philip Coggan

ABERFOYLE, the overseas trading company with interests in Zimbabwe, was defeated at its annual meeting yesterday on a special resolution allowing directors to allot up to 5 per cent of its equity without invoking pre-emption rights.

Crescent Africa, the group led by Ghanaian Mr Kojo
Nyantekyl which owns a 25 per cent stake in Aherfoyle, necks".

opposed the motion. On a poll, 62 per cent of shareholders voted in favour of the motion less than the 75 per cent major

Mr Nyantkyi has consis-tently criticised the board and he said yesterday that he had "very little faith in the executive management. We will con-tinne to hreathe down their

### restaurants

By John Ridding

acquiring 18 Pizza restaurants through the purchase of Little Dudley House, a private com-pany, for about £7m.

Mr Douglas Yates, director of special projects, said that the chain was profitable, but would not give figures.

### Two more companies hit by UK trading conditions

THE TOUGH UK retail climate has contributed to difficulties at two more companies - Cak-wood Group and Campbell & Armstrong.

Oakwood, a diversified branded textile and specialist electrical contracting company which merged last August with CoxMoore, was the much harder hit of the two.

The directors said they expected to report a pre-tax loss of £4m for the half year to June 30, with an additional £2m extraordinary charge.
Oakwood shares have fallen recently, and lost another 30p to close at 75p yesterday.

At Campbell & Armstrong, the shopfitters, a downturn in profits derived from retail-related activities was already expected, hnt was confirmed yesterday by Professor Roland Smith, chairman, at the agin.

However, Mr Ray Chambers, chief executive, said the state-ment was not a profits warn-ing. Ha estimated shophiting turnover would reach £70m (£56m) — 83 per cent of sales.
The shares fell 10p to 155p.
Mr Chambers said the market
over-reacted because of some
shopfitters' recent problems.

### March says it is turning the corner this year

MARCH GROUP, tha USM-quoted racing car manu-facturer, is looking for 1989 to be a turnround year, with an expected return to profitability in 1980, says Mr. John Cowen, the chairman, in his interim report.

report.
For the six months to April 30 1989 the group made a pre-tax profit of £117,000. That compared with £113,000 which turned into a loss of £4.5m by the end of 1987-88.

At the end of May the group sold its Formula One Grand

Prix. Formula 3000, and its wind tunnel operations for 26.25m as part of its financial

reconstruction. Mr Cowen said the pre-tax result included £753,000 from those.

£753,000 from those.

March Engineering, which builds March and Rait racing cars, now had sufficient capital to support its rationalisation and development plans. The management team was concentrating on the Indycar market where the subsidiary previously dominated.

ously dominated.

The early season success of the March Alfa Romeo and March Porsche 1989 programmes augured well. Proceeds from the disposals and the rights issue had elimi-nated borrowings.

Exchange Commission. Not only has Hoylake specifi-cally excluded the holders of

financial markets.

BAT's American Depositary

Receipts from its initial offer, it

has even avoided hiring a US investment bank to make It quite clear that its offer has

nothing to do with the US

Part of the reason for doing this has, again, been timing-

The SEC's requirements for a

bid registration are onerous,

requiring much more detailed

disclosures than UK law about

the bidder, the company to be acquired and the proposed fin-

ancing. Even more serious than the information require-

ments themselves, is the possi-

bility of litigation on minor

technical infringements of SEC rules. Like the insurance regu-

### DIVIDENDS ANNOUNCED

· · · · · · · · · · · · · · · · · · ·	Current payment	Date of payment	corres - ponding dividend	for year	Total last year
March Group §int	nii	-	0.64	-	0.64
Sphere Investint	0.875	•	0.875	-	2.062
Stavert Zigomalafir	15.15	-	12.75	15.15	12.75
West Trust	0.25	-	-	0.25	-
Wholesale Fittsfin	12.75	Oct 20	10.2	15.98	12.89

Dividends shown pence per share net except where otherwise stated "Equivalent after allowing for scrip Issue. †On capital Increased by rights and/or acquisition Issues. §USM stock. §SUnquoted stock. •Third

### LONDON RECENT ISSUES

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### Rank acquires 18 Pizza

Rank Organisation, the leisure and entertainments group, is

The restaurants, which are called Pizza Piazza, are located in the south of England.

## man, for £38,000.

### Coming to the defence of a foreign guest

Anatole Kaletsky looks at the political and legal problems in the US for Hoylake's £13bn bid

E GET tremendous support from the ▼ political system, from senators and congressmen in the communities in which we work. The fact that we are owned by a company based in London doesn't impede us in any way. Maybe we even get more support than some US-

owned businesses."
Mr Ray Pritchard, the chairman of BAT Industries' US tobacco business, Brown & Williamson, may have been guilty of an understatement when he made this remark last month — to judge by the recent shift in the firing line in BAT's £13bn takeover battle against Sir James Goldsmith'e Hoylake consortium.

Amid all the legal manoeuvring and political lobhying unleased by the US merger mania of the last few years, there has never been anything quite like the letter of protest released in Washington on Thursday against the efforts of "foreign financiers" to
"destroy" BAT. Written by
Wendell Ford and Mitch
McConnell, the US Senators from Brown & Williamson's home state of Kentucky, and co-signed by 200 other legislators, drawn mostly from the two dozen states where BAT has significant business interests, this furious tirade has ominous implications for "Sir Goldsmith", as everyone in Washington insists on calling the Anglo-French financier. Most obviously, the Washington letter demonstrates BAT's remarkable and

well-known ability to win friends in high places hy identifying its operating subsidiaries around the world as local companies, rather than mere offshoots of some far-flung foreign conglomerate. "Pat Sheehy has always been very clear about this - we're working for a company that is a guest in every country where it does business and must behave as a good guest," an

executive at BATUS maintains.

"Our businesses like Saks Fifth Avenue, Marshall Field's or

Kool are trademarks of Amer-

ica. People value them and want to preserve them," he Over the years, BATUS subsidiaries have donated large sums to local charities, as well as studiously cultivating politicians. By contrast, "Sir Gold-smith" has won himself widespread notoriety as a corporate raider, first in his asset strip-ping takeovers in the forest products industry and later in his greenmail battle against



Patrick Sheehy (left), BAT chairman, and Sir James Goldsmith

Thus BAT required no high powered lobbyists in Washington to spread the alarm about the threat from Hoylake. The legwork for the protest letter was done essentially hy the Kentucky senators' and congressmen's own staffs. Fur BAT this was important since BAT this was important, since the company had to avoid appearances of trying to use the US political process to frustrate a takeover bid directed essentially at its shareholders in London.

Now that the political battle

lines have been drawn, the cruthe BAT-Hoylake battle will be the interaction of the US politi-cal and legal system with the takeover rules in London.

The significance of BAT's political support lies not so much in any specific steps that Washington might take to shield it. There is really nothing that Congress can do through legislation to protect a company which is incorporated overseas. Indeed, in the early days of the Hoylake bid some

arbitrageurs on Wall Street saw BAT's London incorpora-

tion as a major advantage for the raiders. That ruled out a US-style legal defence for BAT, ased on state anti-takeover laws and poison pills.

What soon became apparent,
however, was that BAT's ownership of the California-based

Farmers Insurance, could create a series of quite new legal obstacles bacause of the lengthy notification and investigation process required by state insurance regulators to approve a change in an insurance company's control. This process, according to Hoylake, is virtually incompatible with the strict deadlines for UK takeover bids

takeover bids

According to BAT, it would have been quite possible for Hoylake to go through the standard US approval process within the City Code's deadlines if its initial filings with the insurance commissioners had been satisfactory and com-plete. However, to expedite the approval process, Hoylake would almost certainly require the cooperation, or at least the goodwill, of the insurance com-

is that Sir James and his partners cannot rely on any such goodwill or cooperation. The state insurance commissioners are local government officials. They are responsive to the same local political priorities as the legislators in Washington - only more so. To make matters worse for

US Securities and on Capitol Hill."

lations, such lawsuits could create delays and wreck the bid's chances of meeting the Takeover Code deadlines. The intervention of the congressmen in Washington now threatens to undermina this strategy of avoiding the SEC. Indeed, the legislators' statement specifically expresses "outrage" at the way that Sir James "is thumbing his nose at American interests" by struc-turing his hid "to avoid US securities laws and ignore the rights of Americans who hold shares in BAT." As part of their campaign against the Hoylake bld the chairmen of

the relevant congressional committees have now askad

the SEC to consider "asserting jurisdiction" and taking legal steps against the bid. The nightmare for Hoylake is that the SEC could undermine its bid by tying it up in lengthy and complex litigation, even though it clearly lacked tha ultimate power to stop a merger under UK law.

It would he particularly ironic if the Hoylake bid eventually foundered because of the group's strategy of trying to

What this week's Washingon letter reveals above all else Hoylake, another legal front could soon be opened up against it hy the political forces in Washington. Apart from solving the insurance mathematical problem the ton priority for the country of the impediment to the imancing of the bid. A more cooperative approach to the US regulators might also have extension before the City Taken page.

group's strategy of trying to by-pass the US regulators. For the alternative strategy, of trying to work within the US legal system, would have involved many advantages, as well as handicaps, for the Gold-smith group. An SEC registration would have enabled Hoy-lake to underwrite junk bonds in the US market, thereby removing what looks at pres-ent like the higgest single impediment to the financing of Hoylake's US strategy has been to avoid any involvement by ginally less unpopular figure

## **BAT** questions rights of Anglo minorities

BAT INDUSTRIES has complained to the Stock Exchange over the rights of minority shareholders in Anglo, the quoted company which will own 75 per cent of Hoylake if the bid is successful.

BAT's argument is that the structure envisaged in the offer falls outside the potential structure approved by Anglo

shareholders when they backed a scheme of arrangement last May.

In particular, it focuses on details of the Hoylake "override" which gives the Goldsmith consortium and Anglo a preferential profit share in any BAT disposal proceeds and carrier professions segment for ceeds and certain protections secured for Hoylake's minority shareholders (Goldsmith/Rothschild/Packer plus the other friends and backers) if the bid is success-

The BAT camp is suggesting that the Goldsmith/Rothschild companies, which own 76 per cent of Anglo, should be barred from voting at an extraordinary general meeting on August 31. This has been called to approve the Hoylake bid and give Anglo directors the power to issue additional Anglo shares if the offer is successful.

Until March, Anglo-Leasing was a medium-sized leasing company, 76 per cent-owned hy the two quoted Rothschild com-

panies. In March, these sold half their holdings to Sir James Goldsmith's Gen-

eral Oriental Investments, and the com-

A new corporate structure was put in lace, making the leasing business a subplace, making the leasing business a subsidiary of a new parent company, Anglo Group. Shareholders swapped their shares in Anglo-Leasing for shares in Anglo.

At the time, it was stated that Anglo "would assemble a group of persons to invest with Anglo in a new company, Newson for the purpose of working company.

"Anglo would participate in the equity of Newco as an investor on the same basis as the other co-investors" the document went on. "In addition to its proportionate share of profits . . ., it would have voting and management control of Newco and would also receive an override on the

Newco" for the purpose of making an

profits of Newco." The override would be in return for the provision of services in connection with the Newco acquisition. Any investment by Anglo in Newco could be subject to share holder approval. If it was, the Rothschild/ Goldsmith company holdings would be free to vote.

BAT is arguing that these arrangements are being breached by the Hoylake bid structure for two main reasons. It claims the override is not as envisaged because it extends to the Hoylake minority shareholders, not just to Angio. Moreover, Anglo gets only 60 per cent of

pany was earmarked as the vehicle for Goldsmith's return to the UK scene. Goldsmith/Rothschild/Packer trio. It also points to the "rights" which would be given to Hoylake minority shareholders if the Hoylake hid was successful. The claim is that these effectively assure Goldsmith, Rothschild and Packer of board control of Hoylake, despite their minority interest. minority interest.

The bid documents state that if anyone

gets more than 30 per cent of Hoylake or forces a power shift in the Hoylake board, then Hoylake minority shareholders can require Anglo either to buy them out or to give them 50 per cent of the Hoylake board positions and half the voting rights. Moreover, BAT argues that the terms negotiated on the Hoylake loan notes could assure the trio control of Hoylake until 1992. This is because the departure of Goldsmith or any material reduction of the trio's interest in Hoylake triggers

immediate repayment of the loan notes.

Tha Hoylake camp, however, maintained yesterday that the share of the override was justified by the fact that it is the Goldsmith/Hothschild/Packer trio who are bearing all the risk on the costs of an

abortive offer.
It also claims that the minority shareholders rights are fair protection, given that they would be putting up large sums of money in the event of a successful

#### **UK COMPANY NEWS**

### Calling for an end to jolly shareholder perks

Share price (pence)

**Dominion International Group** 

Clare Pearson on the clanges being demanded at Dominion after the departure of Max Lewinsohn

Pre-tax profits (£ million)

Earnings per share (pence)

made a major move in December 1986 with the purchase of

leasing group.
But the rest was not so sim-

ple. Aside from the receot sud-den change of plan relating to

Film Finances, there has been

12.0

8.0

HE CHRISTMAS tea by raising feir stake to nearly parties will just have to 12 per cent stop. Nevertheess, when a pale

That was the view of one investor at this week's annual meeting of Dominion International, the financial services, property and natural resources company. And there is no better measure of how exercised shereholders bave hacome about the state of the group. Ever since Mr Max Lewin-sohn created it out of the ashes of Dundee Crematorium, a quoted shell, in the mid 1970s, shareholder perks have been part of the fun at Dominion. In the old days it was discounts on funerals. Mora recently there has been a jol-lier inducement to investors' loyalty - the chance of one's name coming up in a draw at the Christmas tea party, and winning a £2,000 holiday. The fun, however, has been

wearing thin in recent years as one disappointing set of results has followed another. And it couire instead York, a US hecame evident ahead of mortgage originator, has been Thursday's meeting that it was put on ice. going to take something more than lotteries to quell investo carry out a rigorous review tors' impatience.

e nam

e furnir

This was even more evider after the Richardson brother the property developing an investing West Midlands twis, turned the heat on the bod

Th most immediate change

### Our Price directors to resist lega proceedings

THE five directors and senior employees of Our Pre who have been dismised or suspended by WH Sith, the retailing group whih is its parent company, stand yester-day that they inten to resist the legal proceedings against

WH Smith allegs that the five were trying o set up a competing business while in the employ of Or Price and has obtained highcourt injunctions preventing them from

Barclays takes control of CFS

Barclays, the largest UK credit, card issuer, his bought a controlling stake a CFS Card Finanz Systems of Hamburg.

Mr Ken Bignal, head of Barclay: long term aim of becoming a European credit card issuer after 1992.

Neverthless, when a pale and draw/Mr Lewinschnicose to his feelat the beginning of Thursda's meeting and announcid his resignation from the company over which he had resided for 15 years, shareholles found the naw era had tome more precipitately that they had imagined.

Lord farnett, the Lahour peer, ha been non-executive chairms since the start of the year by the man who will be year by the man who will be running the company is Mr Carl penshaw, who joined only sew months ago as man-

aries from Mr Lewinsohn's decrease is that the unexed plan announced last peied plan announced last math to sell an 80 per cent sire in Film Finances, the fin completion guarantee impany, barely a year after hying into the company, and

Mr Openshaw has promised of the company's operations and proposals. But above all elsa shareholders will he looking for a clarity of purpose. During the last few years of Mr Lewinsohn's era there were

working for a rival business. The four directors - Mr Garry Nesbitt, Mr Nichael Isaacs, Mr

will succeed in getting the cargo into the UK. For another, it has plenty of work without relying on imports. Just 15 per cent of the material it handles comes from overseas, and 90 per cent of that comes from within the EC. But Rechem is probably more aware than most that the

performance of its share price

pack with a 152 per cent rise. waste is always going to be subject of swings in sentiment," says Mr Stephen Brook, an analyst at Warburg Securities. However, he abhors the

The negative effect of the publicity on the shares of toxic surprise to Mr Tim Steer of James Capel. "Companies like Rechem and Leigh Interests offer high risk and high the tortuous tale of Sonthwest Resources, the USM-quoted energy company of which Mr Lewinsohn is still, for the

moment, chairman. Since early last year Domin-ion being cutting its previous majority stake. But recently it has found its holding move from 19 to 45 per cent as a result of the low take-np of a rights issue, part of a salvage operation which also involved Dominion selling its Hong Kong-based property management subsidiary to Southwest. Then there was the apparently peripheral investment in Intex Holdings (Bermuda), which was set np some years ago with the amhition of hecomiog the world's first international fully-automated futuras exchange, yat has remained inactive. In Decem-her 1987 Dominion, having booght 28 per cent in 1984.

invested \$2.1m to huy loan stock and warrants to sub-Transnational, the private US To date the company has yet to see a return from Intex, though Intex's agreement to

market an electronic trading system jointly with Telerate has generated more hope. While all this has been going on, followers have often found it complicated to work out how Dominion was performing because of its unpredictable accounting policies. At the same time, there have

been growing concerns in the refusal to cut the dividend and reduce the yield which has done much to support the

Shareholders will he looking for a clean sweep on the part of Mr Openshaw, but it appears at least he has won a measure of hreathing space from further pressure from the Richardsons. Following a meeting on Tues-day night Mr Roy Richardson expressed himself satisfied with the man.

And the shareholder keen to jettison the Christmas jollifica-tions seems have found a sympathetic ear. "I think this is the sort of thing a a public company can well do without," Mr Openshaw said yesterday.

### GrandMet invests A\$50m into Elders offer

By Ray Bashford

GRAND Metropolitan, the international food and hrewing company, is participating in the A\$5.4bn (£2.58hn) takeover offer for Elders IXL, the diversified Australian brewing

group.
The company yesterday announced that it had made a committment to invest up to A\$50m in the equity of Harlin Holdings, the vehicle heing used hy Mr John Elliott, the chairman of Elders IXL and other directors of the company in the takeover offer.

GrandMet which hrews Fos-ter's, Elders IXL's major inter-national hrand of heer under licence in the UK, said partici-pation in Harlin was "a com-mitment to the development of Foster's as an international brand."

However, several analysts suggested that the investment of up to A\$50 was a relatively small yet symbolically impor-tant step in the development of closer long-term ties between Elders IXL and GrandMet.

The move was seen against the hackdrop of uncertainty about GrandMet's intentions with its UK hrewing interests following the release last month of the Governmeot's revised plans to stimulate greater competition in the

Molson, the Canadian hrewer half owned by Elders IXL. has committed up to A\$150m for investment in Harlin along with Prudeotial Bache, Compagnie Financiere de Suez and the Hong Kong and Shanghai Bank bave also joioed in a A\$6bn funding plan for Harlin.

•GrandMet yesterday formally announced the sale for \$140m in cash of Van de Kamps Frozen Foods to Whitman Corporation. The frozen foods company was acquired through the takeover of the Pillsbury group earlier this year.

### Public concern can turn into a double-edged sword

### Vanessa Houlder looks into the latest controversy surrounding waste disposal companies

A specialist in toxic waste disposal, Rechem has been at the eye of a storm this week. Yesterday, its share price fell 10 per cent as the publicity over hazardous imports finally took its toil. For Rechem, the only sur-prise is that its shares took so long to react. It recognises that the refusal by the Port of Liverpool to handle a load of polychlorinated hiphanyis (PCBs) that are due to be delivered to Rechem's incineration plant in Pontypool is obviously of concern to investors. That said, the disruption will

repeated statements from the

company that it was working

Mr Lewinsohn's basic plan

was to sell the energy, mining, and property interests and build up the financial services side. To this end, Dominion

towards "a better focus".

Nestitt, Mr Alchael Isaacs, Mr Barry, Hartog and Mr David Cain - have teen dismissed. Mr Frank Darajio, huying man-ager at Our Frice, is suspended pending further investigation. In yesterlay's hrief statement, the five said that they regret the actions that the plaintiffs have have seen fit to have virtually no effect on its profitability, it says. For one thing, it is confident that it take agains them and are confident that their positions will be vindicated."

mnch as on hard facts. The City's enthusiasm for green issues has fuelled a spectacular surge in the shares of waste disposal companies in the past year, with Rechem leading the "Investors must accept that publicity concerning Rechem.

"If ever a story was driven by greed and ignorance, it was this," he says. "You know it is the stily season when compa-nies going about their business become front page news."

waste companies came as no rewards," he says. "Companies dealing with the more risky stuff will be the target of media attention and may have

Rechem Share price (pence)

hiccups, which may encourage investors to steer away from

1989

Jan

Leigh Interests, the poorest performer of the waste disposal companies, has already suffered from bad publicity. It has been tha target of hostility from the local community near its operations in the West Mid-

**FIXED INTEREST** 

#### LEADING WASTE DISPOSAL **OPERATORS** % share price change Rechem Env Services Caird Group +122 Shanks & McEwar HT Hughes

These were fuelled last year by fears it might treat the wastes from the Karin B, a ship carrying chemical waste that was turned away from the UK. As a result of conflicts with Walsall council, its

FT-A All Share Index

operations have hampered by delays and refusals to license new facilities. However, public concern about the environment is something of a double-edged sword. On one side, it may have increased the not in my

backyard" syndrome, making

the job of the disposal compa-

But on the other, it is partly responsible for the extraordinary performance of the waste disposal shares, since it has led to a tightening of the rules. Tougher legislation will price the cowboys out of the business, allowing margins to rise. Rechem for example, enjoys umusually high net margins of

45 per cent, In addition, new legislation expected next year will put the onus oo companies producing waste to dispose of it safely which should benefit the more

reputable, quoted companies. This trend towards higher standards affects companies that specialise in hurying waste in the land, as much as it does those that deal with toxic wastes. Badly managed rubhish dumps leach noxious chemicals that pollute underground water sources. There is also increasing concern about possible gas explosions result-ing from the escape of methane from landfill sites.

The heneficiary of higher

standards are those companies which already line landfill pits with impermeable materials and monitor them constantly. Broadly speaking, all the quoted laodfill operators already adopt stringent stan-dards and should beoefit from the increased costs inflicted on smaller rivals. However, some investors are wary of Caird Group, which could have inherited problems by huying a number of small operators. "It could be sitting on a time bomh," says Mr Steer. Even without a mishap to

snap the nerve of investors, can the share prices of waste disposal companies continue their meteoric rise? James Capel believes not. Shares in UK waste companies now hoast average ratings (the ratio of the share price to their prospective earnings) of over 30. As such, they have far out-stripped the ratings of comparable companies in the US which woke up to the potential of waste disposal long before

### MARKET STATISTICS

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Cambridge 4	1,653,000		
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Reserve and other Accounts	2,11,004,512	. +	49,296,709
	3, 5,836,775	+	8,852,061
SSETS			
overnment Securities	/60,751,629	•	18,850,000
dvance and other Accounts	790,191,670	+	65,577,508
remises Equipment & other Secs	027,259,530	-	28,979,771
otes	7.423,604	+	1,146,054
	210,352		31,730
	3,785,836,775	.+.	8,652,051
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	15,100,000,000		90,000,000
SSETS overnment Debt ther Government Securities	11,915,100 12,754,725,849 2,334,257,951	÷	692,800,663 662,800,683
	15,100,000,000	-	30,000,000

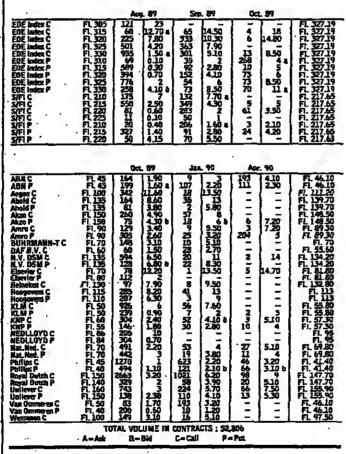
### **ECONOMIC DIARY**

TOMORROW: ational Savinds results for July results for July results for July Provisional Office publishs July provisional producer prie Index numbers; and July prvisional figures for retail sales, confederation of patient industry financial Times, July survey of distributive trade. Perturian finers expected to strike. Ut manufacturing and trade inventories and sales or June. Serinar on a national firing policy for Malaysis, Kusia ing polic for Malaysis, Kusia Lumpur, Hanson third quater results, spanese steel outputor for the spanese domestic bank lunds, sty. TUESDIY: British Chambert of TUESD,Y: British Chamber of Commece publish quarterly ponomic arrey of 3,300 businesses. 1989/9 Australian budget resented interims: De Beers Cosolidated Mines; Raa Brosers
Grow. BriP Gold Mines anual meeing. Japanese July sholesale price Index; June relised indistrial production. sale price index; June reised indistrial production.
WENESDAY: Contral Salistical Office publishes June Resc. of cuput of the production industries. July figures for the Public Sector Borrowing Rightrement from the Tressury. Usindustrial production figures or July. Launch of privatication of powergeneration companie National Power, and PowerGer US figures for industrial production for July. Power, and PowerGer US figures for: Industrial products for July all industry housing size and build-ling permits for July Interims: General Accident; aird Group; Queens Most House; SD-Scicon; Standard Chartere Finals; W.H. Smith Group, Aussilan July bal-

TOMORROW: atlonal Saving

ance of payments. Commerce Commission to rute on Helenus bid for New Zealand Steel, Japa-nesa credit union loans and deposits in July.
THURSDAY: July provisional fig-ures of vehicle production; and second quarter provisional fig-ures for capital expenditure by the manufacturing and service industries, from the CSO. The Department of Employment issues the following labour market statistics: July provisional unemployment and vacancles; average ment and vacancles; average earnings indices (June provisional); employment, hours, productivity, end unit costs; industrial disputes. US merchandise trade fligures for June. Antiques Fair opens, Kansington Towo Hall (until August 20). US figures for merchandise trade for June; and mentilly manatary expression for merchangise trade for June; and monthly monetary aggregates for July. Interims: British Telecom-munications, Associated-Henri-ques. British Gas annual meeting. ques. British cas attitude meeting.
French provisional July: inflation
figures. Electrolix and Pharmacia
six-month results. Japanese June
machinery ordars; hpusehold
spending; and trading volume of
Japanese bonds.

FRIDAY: London and Scottish banks monthly statement for July. Bank of England publishes provisignation strategy of monatary aggregates for July Retail prices index, and tax and price index for July Iron the CSO. Us consumer across for July IIIS consumer prices for July, US consumer price index for July, Interims: Anglo American industrial Corpo-ration; Ward Holdings. French



**EUROPEAN OPTIONS EXCHANGE** 

### BASE LENDING RATES

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ABI Dark	. 14	Chydestale Bank 1	Ä	Nat Westminster 14
Adam & Company	14	Corren, Bk. N. East		Northern Bank Ltd 14
AAB - Allied Arab Bk	14	Co-operative Bank	4	Moreica Geo. Trest 14
Atted trisk Bank	14	Courts & Co ]		PRIVAThanker Limited . 14
Henry Assbacher		Cypros Popelar Bk		Provincial Bank PLC 15
Associates Can Corp		Donbar Bark PLC 1		R. Rashael & Sons 14
Authority Bank		Dancan Laurie 1		Rocharghe Grantes 141
8 & CMarchant Bank_	14	Equatorial Bask pic.		Royal Six of Scotland 14
Bank of Baroda	14	Exeter Trast Ltd 1		Royal Trest Bank 14
Basen Bilbao Vizcaya		Financial & Gen. Bank 1		O Smith & Willman Secs _ 14
			5	Standard Constants 14
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Bask of Ireland	14		4	United Mizrahi Bank 14
Bart of India		O Guistes Maleys	7	Deity Trust Bank Pic 14
Bank of Scotland	14	HFC Bank plz 1	•	Western Trest 14
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Barcla's Bank	14	Heritable & Gen Inv Bak 1		Whitemay Laidlan 14
Beachmark Bank PLC	.14	• HAI Samuel	4	Yorkshire Bank 14
Berliner Bank AG		C. House & Co 1	4	
Brit Bir of Mid East		Hoogkoog & Sharegh 1	4	
Brown Shipley	14	● Lengeld Joseph & Sass 1	4	• Members of Skillish Merchant
Business little Tst	144	Litytis Bank	4	Banking & Securities House
CL Bank Hederland	14	Martin Bask Ltd 1		Association, " Deposit now 5.9%
Charterhouse Bank	14	McDennell Dangles Bair 1	4	Security 85%, Too Tier 210,000
Citizat III		Midland Bank 1		instant arress 12.8% & Mortgage
City Marchants Bank		Mount Banking 1		base rate & Demand deposit 9%.
AND MANAGEMENT SCHOOL STATE		Nat Bit of Kreat 1		Mortgage 13.25% - 15%
f	-			

## These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries Tinu Wed Tue Year Aug 10 9 8 (approx Friday August 11 1989 EQUITY GROUPS & SUB-SECTIONS Figures In parentheses show number of stocks per section Index No. Tember of Stocks per section No. Change (Max.) (Act at (Ret) to date No. No. No. No. High Low High Low High Low Capture (1975) ( | No. | Change High (2) Low (b) | 10 | 9 | 8 | 7 | 4 | 890 | 8 | 17 | 2360.4 | 9 | 8 | 1782.8 | 3 | 1 | 2443.4 | 16/7 | 87 | 986.9 | 23/7 | 84

FT-ACTUARIES SHARE INDICES

_						,	┺		11	10	(approx.)	High	Low
_	PRICE INDICES	Fri Aug 11	Day's change %	Thu Aug 10	xd adj. today	xd adj. 1989 to date		British Government Low 5 years Coupons 15 years 25 years	9.08	9.42 9.03 8.99	9.40	10.39 30/12 9.76 14/6 9.59 14/6	8.88 9 /2 0.77 9 /2 0.73 16/2
2 3 4	British Government 5 years 5-15 years Over 15 years Irredeemables All stocks	134.91 148.08 170.13	-0.16 -0.33 -0.13	119.08 135.12 148.58 170.35 132.86	<u>-</u>	7.18 8.43 7.38 7.32 8.00	1	Medium 5 years	9.50 9.15 10.46 9.70 9.32	10.28 9.46 9.12 10.41 9.67 9.29 9.04	10.09 9.61 9.29 10.20 9.75	11.33 14/6 10.28 14/6 9.81 14/6 11.44 14/6 10.49 14/6 9.99 14/6 9.57 14/6	9.96 8 /2 9.21 8 /2 8.85 17/2 10.13 8 /2 9.41 8 /2 8.99 27/1 8.68 15/3
6 7 8	index-Linkad 5 years Uver 5 years All stocks Beleatures & Leas Preference	141.76 139.87 139.89 114.93	-0.04 -0.64 -0.04 +0.05	141.82 139.92 139.94 114.87	_	1.36 2.50 2.39 6.16 3.50	11 12 12 12 12 12 12 12 12 12 12 12 12 1	Indiation rate 5% Syrs. Inflation rate 5% Over 5 yrs. Inflation rate 10% Syrs. Inflation rate 10% Over 5 yrs. Over 5 yrs. Over 5 yrs. Learns 15 years. 15 years. 25 years.	2.11 3.38 12.78 11.77	2.82 3.45 2.06 3.29 12.50 11.79 11.20	3.70 10.86 10.84 10.84	4.04 2 /6 3.84 5 /6 3.30 2 /6 3.67 5 /6 12.78 11,99 3 /8 11.38 14/6 10.43 30/12	2.02 10/8 3.44 13/3 2.06 10/8 3.28 13/3 11.47 30/12 11.19 1 /2 10.66 27/2 10.00 17/3
Agent Cong Telep Elect Other	Equity section or grow clessionerates shone Networks ronics rindustrial Material th/Household Produc	3 3 3	se 67te 1/12/86 1/12/86 0/11/84 0/12/83 1/12/80 0/12/77	1114.0 1114.0 517.9 1646.6 287.4	7 On 17 Me 12 Ind 15 Ou 11 Fo	Equity stream Transcal learning of the control of t	ection Engineers roup cial factu	neering 31/12/71 1 31/12/70 1 31/12/70 1 ring 29/12/67 1	value 00.00 1 53.84 / 28.20 1 28.06 14.13 1	Equity Wining Fir Alf Other British Go Oo, Inde Debs & Lo	section or nance vernment . x-linked ans,	9roup 8ase date 29/12/6 10/4/6 31/12/7 30/4/8 31/12/7	1 Base value 17 100.00 12 100.00 15 100.00 12 100.00 17 100.00 17 76.72

### INTERNATIONAL COMPANIES AND FINANCE

### ABB offers to buy big Spanish electricals group

By Peter Bruce in Madrid and Robert Taylor in Stockholm

ASEA BROWN Boveri (ABB), and the then Brown Boveri. the European electrical engineering multinational, has offered to buy CCC. Spain's biggest electricals group, and restructure it as part of a Spanish government effort to turn around and modernise the country's ailing railway and power generation industries. Alsthom of France - which last month merged its power

systems division with the Brit-ish GEC - has also been exam-

isin GEC — has also been exam-ining a possible bid. The Swiss-Swedish ABB is understood to have offered Pta5bn (\$41m) for CCC in a comprehensive restructuring plan presented to the Spanish Industry Ministry yesterday. Madrid has been anxious to secure powerful industrial partners for CCC, which is owned by Arbobyl, an Anglo-Italian management company registered in the Sevchelles.

While Arbobyl could make a substantial profit on the Pta2hn it paid for CCC two years ago, the Government has told both ABB and CEC-Al-sthom that it would be pre-pared to write off all or part of CCC's Pta60bn debt ooce the buyer has been chosen.

An official at the ministry in

Madrid said he did not know when GEC-Alsthom would present proposals and that the Government had not set the bidders a deadline.

ABB's proposal arises from the \$1bn contracts awarded late last year to Alsthom for 24 high-speed trains and to a consortium led by Siemens of West Cermany and ABB for the supply of 75 high-powered locomotives. The Government made it clear to Alsthom that the price of winning the pres-tige high-speed train contract would be to ouy and restruc-ture the parts of the Spanish railway equipment industry in the state's hands. CCC comprises three makers

of power geoeration equipment Cenemesa, Conelec and Cademesa. It was formed at the beginning of the 1990s through a merger of companies previ-ously owned by Westinghouse and General Electric of the US

Mr Bert-Olof Svanholm, ABB vice president, said his group would push through a four-year, SKr300m (\$45.4m) restructuring programme designed to scale down CCC's designed to scale down CCC's operations and make them profitable again. "At the moment the group has a bad performance because it employs too many people for too little turnover." he said.

As a second stage, it would integrate CCC activities into its own existing operations in

its own existing operations in Spain, almost doubling ABB's annual turnover there from its present Pta28bn. ABB activi-ties in Spain include power generatioo facilities, transmis sion and transport equipment robots, electric motors and

other industrial equipment.
Alsthom, meanwhile, expan Alsthom, meanwhile, expanded its own Spanish operations last month, paying Pta3.6bn for 85 per cent of MTM and Ateinsa, two formerly stateowned groups. Macosa, a private sector group, has included its railway equipment business in the deal as well in return for a stake in the new group. All a stake in the new group. All three Spanish companies are to receive important subcontracts for the high-speed train and locomotive orders.

Although Alst bom bas shown interest in CCC, it has its hands full with MTM and Ateinsa, and the Spanish are unlikely to want to place too much industrial muscle in French hands.

Madrid wrote off Pta25bn in debt at MTM and Ateinsa before selling them and it is likely to do the same with CCC debt, owed mainly to state financial institutions. Both Cenemesa and Conelec will be involved in huilding motors for the high-speed trains and new locomotives.

Arbobyl, which bought the

CCC group in 1987, is understood to be eager to sell it again, mainly because it has been unable to staunch the group's losses. The Covern-ment, sceptical of Arhohyl's industrial credentials, has also been loath to support it finan-

### Swedish broker expands

By Robert Taylor

stockbroker and part of state-owned PKbanken, announced in London, New York and Copenhagen. expansion plans yesterday which will involve the establishment of branches in Norway, Finland and Spain.

More than half Carnegie's revenue was generated outside Sweden in the first six months

CARNEGIE, Sweden's higgest of this year from its activities

Total income hefore allocations and taxes amounted to SKr208m (\$31.5m) compared with SKr200m for the same period of last year. Mr Lars Lundqvist, 41, has been appointed new chairman.

### Merrill Lynch sells property subsidiary

By Karen Zagor

MERRILL LYNCH, the Wall Street securities firm, is with-drawing from the residential property business with the sale of its unit, which is also involved in executive relocation, to Prudential Insurance Company of America in a deal worth more than \$300m.

The transaction, which will yield Merrill \$160m, marks the end of a three-year retreat from residential property in order to concentrate on its securities operation. Prudential entered the market two years

As part of the deal, Merrill will sell Prudential its 74 per cent share of Fine Homes, a master limited partnership it set up in 1987. In addition, Merrill Lynch will buy out the pub-licly traded shares in the master limited partnership for \$140.4m and transfer these to Prudential.

Fine Homes consists of Merrill Lynch Realty, which sells real estate through 450 offices, Merrill Lynch Relocation Management, which relocates executives for some 400 companies, and various other businesses. Mr William Schreyer, Merrill chairman, said: "This transaction culminates Merrill Lynch's divestiture of a busi-ness which, while profitable, is

not part of our long-term global strategy."
In 1985 Merrill said it would focus its resources on its core securities businesses world-

Prudential, which in 1987 created Prudential Real Estate Affiliates, will combine the Fine Homes businesses and its own property operations into a new company, Mr Robert Winters, Pruden-

tial's chairman, said the acqui-sition "presents an cutstanding opportunity for us to strengthen our position as a national provider of residential services, which already include hrokerage, mortgage lending, property appraisal and home-owners' insurance."

For the six months to June Fine Homes had pre-tax income of \$14.3m on revenues of \$433.3m. In all of 1988, pre-tax profit reached \$37.1m on revenues of \$792.2m. Merrill does not expect the divestiture to have much of an impact on its overall net earnings.

Frank B. Hall, the New York insurance broker, is to raise funds through an issue of

\$50m in convertible preferred stock to Rellance Group Hold-ings, its largest shareholder, our financial staff adds.

LONDON METAL EXCHANGE

1803-5 1795-800

Cash 1658-60 0 months 1647-8

Lead (£ per tonne

Cash 435-7 0 months 429.5-30.0

Nickel (5 per tonne)

Cash 13600-60 3 months 12500-60

Tits (5 per tonne)

Previous

1784-5 1778-8

1813-5

m. 99.7% parity (5 per tonne

This would cover a \$50m write-off on discontinued operations made for the first half to June, when net operat-ing losses also widened to \$13.9m from \$1.4m.

### Brothers aim to show who's Boss

Haig Simonian visits the successful German menswear company

ew companies better illustrate the differences between image and reality in the international fashion business than Hugo Boss, the West German ness than Hugo Boss, the West Cerman men's clothing group which has hoomed since floating its preference shares in 1985. Under Mr Uwe Holy and Mr Jochen Holy, the two brothers who run and largely own the long-established concern, Boss has risen from almost total obscurity into one of the world's leading men's fashion pages.

Its head office is not some perfumed townhouse in Munich or Disseldorf but a modest building in the Dieselstrasse, a dull street in a drab industrial estate in the small Swahian town of Metzingen, near Stuttgart. Even the Holys themselves do not

entirely adhere to the Boss image - at least the one conveyed by its adverts. Their strong regional accents belie the company's preppy, cosmopolitan air. And just three floors down from their high-tech offices is the shopfloor where dozens of diligent Swabian women turn out the natty jackets which have helped to make the Boss name.

Such contradictions shed some light on the strengths which have allowed Boss to compete so strongly against often better established rivals such as Yves Saint Lau-rent, Giorgio Armani and Ralph Lauren. For Boss's strengths are no different

from the dozens of other family businesses producing anything from beer kegs to barometers in the hills around Stuttgart. All have thrived on a combination of good, if expensive design, high quality workmanship and materials, and fair value for money. For Boss, that mixture has been peppered by slick marketing, selective sponsorship and carefully

screened distribution. It has been a winning formula. Ner profits rose 49 per cent to DM33.6m (\$17.6m) last year, while sales increased by almost 14 per cent to DM596m. And preference shareholders saw their dividend rise by DM2 to DM22 a share along with a one-for-

three scrip issue.

Developments in the first six months of this year promise a further "good result"

this year promise a further "good result" despite sharp rises in raw materials prices, according to Mr Uwe Holy.

Orders for the company's autumn collection have shown a double-digit percentage point increase, they say, while the cootinuing pace of foreign growth should more than compensate for the slight downturn likely in domestic sales. As a result, the dividend may go up again. the dividend may go up again.

Boss's strong sales and earnings perfor-

mance has been mirrored in its share price. Despite the stock split, its preference shares are now trading at DM1,330, up DM100 since January, while its new ordinary stock has also met strong demand In the past two years, German men have

By Robert Gibbens in Montreal . .

an 11 per cent decline in aver-

age realised gold prices in the first half, while production costs and exploration spending

This meant that, together with a weaker US dollar, first-

1634-7

were higher.

1804/1775

13700 12550/12200

been spending more heavily on "cars, electrical goods and much travelling" than on clothes, explaining the near halving in

Decline at Placer Dome

PLACER DOME, Canada's (US\$57.7m) or 30 cents a share, largest gold producer, recorded against C\$77.1m or 35 cents a

year earlier, on revenues of C\$455m against C\$404m.

profits were C\$31.5m or 14

cents a share, against C\$37.5m

Profits in the second quarter



Jochen Holy (left) and Uwe Holy: foreign turnover looks set to race shead

Boss's overall sales growth from 21 per cent in 1987, admits Mr Uwe Holy. But the stagnation in domestic turnover has also been partly of its own making. Boss claims. Since 1967, the group has pursued a "quality orientated sales strategy" to prevent the rise in sales coming at the expense of its upmarket image. As a result, some 100 stores have been pruned from its distribution list since 1987.

By contrast, concern about flooding the market has yet to become a problem abroad. After surging 41 per cent DM251m in 1988, foreign turnover looks sets to race. ahead further this year, taking the share of export sales above the 42 per cent recorded in 1988 and 34 per cent in 1987.

The higgest growth will come in the US.

where Boss spent DM220m on a 75 per cent stake in Joseph & Feiss, a leading US clothier, which also owns some retail out-lets, earlier this year. Total US turnover should rise to between \$200m to \$210m in 1969. Joseph & Feiss should account for around \$180m of the total, with Boss exports from Germany comprising the

Mr Jochen Holy, who looks after the marketing side of the husiness, acknowl-edges the dangers of growing too fast, both in terms of straining the group's image

and irs balance sheet.

But Boss is still looking for further expansion, both geographically and in new products, he says. A joint venture in Japan is due, along with more ambitious links to produce goods under licence in Brazil and Australia — two sophisticated marients subject to high import tariffs. markets subject to high import tariffs, which make exporting from Europe uneco-

Total sales of goods made under licence should comfortably exceed the DM166m reported last year. Spectacles bearing the Boss name will be on the shelves in early

By Robert Gibbens

turned in sharply higher earnings for the first half of 1989.

The core Lohlaw food distri-

bution business, the leader in

Canada, and E.B. Eddy Forest Products contributed strongly.

First-half earnings before

1990, but the biggest development will be in hagrances, Bose's biggest logic source of licensing sales, with turnour of DMS0m in 1982.

Revion's acquisition of Elements, the German group which products Bose fragrances under licence, about see fragrances under licence, about see fragrance sales leap to DMISON his year, according to Mr Jochen Holy Revion, which is particularly strong it is and South America, wants to develop the Bose name at the top and of the mediting ance market, a move which should be raise international awareness in Bose reducts overall.

overall.

Realising the benefits of huyinaloseph & Feiss will take longer, admits Mrochen Holy. Opportunities for cross illing between the US and European marks are limited by appreciably different tasts and traditions, he explains.

Though well-established in the US, Joseph & Feiss's ciothes, sold under nages such as Cricketeer, Baracuta and Courty Britches are more conservatively designed and much stiffer in feel than the lighweight, flexible apparel favoured by European men, he notes, twisting a Boss jacks. nean men, he notes, twisting a Boss jack by the shoulders to explain.

But while Boss sees little chance to sell Joseph & Feiss clothes in Europe, there could be scope for traffic the other way. Items such as sportswear, pullovers and sweatshirts made in Europe are virtually impossible to sell in the US on cost are already looking at the possibility of Joseph & Feiss making such items under licence for Boss, either in the US or at low-cost plants in Mexico or the Caribbean.

Domestic production would also minimate foreign explants and their relations.

ise foreign exchange and tariff risks, notes Mr Uwe Holy. Jackets and suits could fol-

After buying into Joseph & Feiss, which is being partly financed by a rights issue, no further big acquisitions are on the cards. Mr Jochen Holy describes the problem not as lack of cash or opportunity, but the need to find good management.

Indeing by their reactions at the group's annual meeting in Stuttgart Ross's share holders certainly seem to have no complaints. Only two questions legularly pop

The first — whether Boss plans to start making woman's clothes — is strongly rejected. The second — as to the continurejected. The second — as to the continuing involvement of the Holya themselves, especially following their decision to sell 20 per cent of the companys ordinary stock, which until then they would exclusively— is handled as decisively.——
The move was made for a mixture of personal reasons, including colorn about future inheritance taxes, and to create a wider market in Boss equity.

As far as the future is continued, the brothers emphasise that they wil retain at least 75 per cent of the ordinary capital

least 75 per cent of the ordinar capital plus one share, guaranteeing ham the majority required to keep effectiv control under German law.

up from C\$53.3m or C\$1.0

year earlier, on revenues of C\$4.8bn against C\$5.2bn.

Second-quarter earning were C\$33.7m or 67 cents

share against C\$31.7m or 6

against C\$2.6bn.

cents on revenues of C\$2.5bh

Sharp advance at Weston

GEORGE WESTON, the main special items were C\$6|2m North American holding com- (US\$50.1m) or C\$1.16 a shre.

### Petrofina pumps in a 6.5% increase

By Our Financial Staff

PETROFINA, the big Belgian petrofina, the big Belgian oil company and the country's largest industrial group, reported profits up by 6.5 per cent in the first half of 1989 to BFr11.49bn (\$281m) compared with BFr10.78bn in the same period of last year.

The company said its results in oil exploration and production were helped by "relatively firm prices and increased production volumes."

Petrofina said refining and

Petrofina said refining and

marketing results improved and chemicals earnings remained "excellent."
It said group oil production rose ? per cent over the same

rose 7 per cent over the same period a year earlier to 2.83m tonnes, mainly on increased output ot the Ekolisk field in the North Sea, resulting from investment in secondary recov-ery and additional wells made

in recent years.

Natural gas production mounted to 2.93bn cubic etres, an increase of 46 per int from the first half of 1988. When the bulk of the increase was in the US, Petrofina said, where it let year acquired the oil and gaproperties of Tenneco.

The group's overall exploration acreage increased, with that equisition of six blocks in the brth Sea, six blocks in the Gully Mexico, and properties in Shatra:

in Schatra. ... Peddina also confirmed the existece of condecate-rich naturages reserves in the first appraish well of a recent dis-covery, h which the company has a liber cent interest.

Refining and marketing mar-

Refinifi and marketing margins were better than those of the first si months of last year and refinify units operated "at a high capity."

Sales of 11 products totalled 18.3m tonnis, an increase of 20 per cent. he increase was mainly due to the April 1988 purchase from British Petroleum of its 50per cent share in the Fina Rafinaderij Autwerpen refinery a Antwerp, giving Petrofina a 100 per cent stake.

Petrofina sali that, to keep

stake.

Fetrofina sale that, to keep up with European demand for unleaded petrol, it has decided to build a comprise unit, with a capacity of 45.40 barrels a day at the Antwern refinery.

The BFrebn refinery, which is due to be brought on stream in early 1991, will put it among the ton European producers of

the top European producers of high quality perol. Petrolina Sales volumes of chemicals

continued to increase hut margins, most of which reached record levels redently, have begun to decline. It said that demand for its

special polymers remains very strong.

#### or 17 cents in the same period a year earlier on revenues of C\$229m against C\$187m. half earnings were C\$69.3m **WORLD COMMODITIES PRICES**

Ring turnover 13,700 torms

Ring turnover 25,210 tonne

Ring turnover 8,325 tonne

31,038 lots

71,542 lots

10,538 lots

5,376 lots

(Prices supplied by Amalgamated Metal Trading)

12525-60

High/Low AM Official Kerb close Open Interest

CHANGES	Latest prices	change on week	Year ago	1989	1989
Gold per troy oz.	\$361.50	-9.50	\$431.75	\$412.25	\$360.25
Silver Per troy oz	322.00p	-1.5	392.75p	358.85p	313.90p
Aluminium 99.7% (cash)	S1780	+15	\$2795	\$2610	\$1664
Copper Grade A (cash)	£1659	+36	£1269.S	£1982.S	£1474
Lead(cash)	£436	+6	C356.0	£443.S	£337
Nickel (cash)	<b>\$13625</b>	+800	\$14825	\$19350	\$11450
Zinc (cash)	S1799	+ 89	£756.S	\$2107.5	\$1497.5
Tin (cash)	58875	-535	£4322.5	\$10760	\$7460
Cocoa Futures (Dec)	€927	-20	£875	€947	£715
Coffee Futures (Nov)	£741	-28	£976 .	£1270	£741
Sugar (LDP Raw)	\$346.S	-16.0	\$307.4	\$363.6	\$235.8
Barley Futures (Nov)	£107.10	+ 0.50	£105.1\$	£113.50	£100.95
Wheat Futures (Nov)	£110.60	+0.15	£100.50	£121.65	£104.7
Conon Outlook A Index	83.00c		56.65c	84,95c	61.35
Wool (64s Super)	598p	+ 13	652p	710p	585p
Rubber (Spot)	58.0p		72.75p	64p	550
Oil (Brent Blend)	\$16.850	-0.025	\$15.025	\$21.35	\$16.125

Crude off (per barrel FOB)		+ 01 -
Outal	814.90-5.05z \$16.80-6.90	
Bront Blend W.T.I. (1 pm ost)	\$18.50-8.55z	
	310.30-0.432	-0.13
Oli products  NWE prompt delivery por to	nne CIF)	+ or
Promium Gasoline	\$198-200	+3
Gas Orl	\$154-156 \$84-86.0	+1
Heavy Fuel Oil Naphiha	\$152-154	+0.5
Petroleum Argus Estimates	2102-10-	
Other		+ or -
Gold (per troy ozid	\$361.50	-4,75
Silver (per tray ez)	511c	-5
Plounum (per iroy oz)	\$478.85	-7.65
Paliadium (per troy oz)	S134.15	-1.1
Aluminium (iree markot)	\$1780	+ 10
Copper (US Producer)	11853-110	+1
Lead (US Producer)	39.5c	
Nickel (free markei) Tin (Kuala Lumpur market)	630c	+ 20 -0.92
Tin (New York)	414.5	-0.92
Zinc (UO Primo Western)	82 4 C	-la
Caule (live weight)†	115.83p	-0.16'
Sheep Idead weighth	148.86p	+4.93
Pigs (live weight)†	92.23p	+ 2.54
London daily sugar (raw)	5345.91	-6.2
London dally sugar (white)	\$496.0t	-0.5
Tate and Lyle export price		
Barlay (English feed)	£104	
Malze (US No. 3 yollow)	£131.00	+0.25
Wheat (US Oork Northern)	E 123.254	
Rubber Ispoti♥	58 00c	+ 1.75
Aubbor (5op) 🖤	60.50p	+ 1.75
Rubber (Oct) *	61,00p	+ 1.75
Rubber (KL R&S No 1 Sept	245 5m	-0.5
Coconut ett (Philippines)§	S485L	+10
Palm Oil (Alalaysian)§	\$310w	
Copra (Philippines)5	\$315	
Soyebeans (US) Cotton "A" index	£175w 83.00c	+11
Woolean Min Sungr	598p	
Wooltops (649 Super)	- <del></del>	

	Close	Provious	High/Low
Oct	16.91	16.68	17.15 16.91
Nov	16.82	16.82	17 03 16 82
Dec.	16 83		16.96 18 80
IPE Indox	16.93	18.56	

Dac	927	928	
Mar May	899 905	893 904	937 923 908 895 910 902
Jul	917	918	922 914
Sep	929	929	935 929
Dec	951	950	950
price to	ndicator p or Aug 10	rices ISOR	of 10 tonnes is per lonne). 170.75) :10 day 19.12)
COFFE	E £/tome		
	Close	Previous	High/Low
Sop	732	753	755 724
Nov Jan	741 757	762 780	761 733 778 751
Mar	772	797	798 770
May	795	832	821 794
Jul	8T9	846	845 815
Sep_	840		861 857
age 71.	37 (71.84) I (\$ per to		(70.79). 18 day
	Close	Previous	High/Low
Rew	Close		High/Low 320 00 306 40
Raw Oct		Previous 308.60 297.00	High/Low 320.00 306.40 297.00
Raw Oct Dec Mar	31P.20 307.80 297.80	308.60 297.00 288.40	320.00 306.40 297.00 298.00 286.60
Raw Oct Dec Mar May	31P.20 307.80 291.60 291.60	308.60 297.00 288.40 283.20	320.00 306.40 297.00 298.00 286.60 292.00 284.00
Raw Oct Dec Mar May Aug	31P.20 307.80 291.60 291.60 286.00	308.69 297.00 288.40 283.20 277.00	320.00 306.40 297.00 298.00 286.60 292.00 284.00 277.00
Raw Oct Dec Mar May Aug	291 80 286.00 Crose	308.60 297.00 268.40 263.20 277.00 Previous	320.00 306.40 297.00 298.00 286.60 292.00 284.00 277.00 High/Low
Raw Oct Dec Mar May Aug White	297.80 297.80 297.80 291.80 291.80 286.00 C/ose 419.50	308.60 297.00 288.40 283.20 277.50 Previous 411.00	320.00 306.40 297.00 298.00 286.60 292.00 284.00 277.00 High/Low 417.00 408.00
Raw Oct Dec Mar May Aug White Oct Dec	Close 31P.20 307.80 291.60 291.60 286.90 Crose 419.50 377.50	308.60 297.00 288.40 283.20 277.90 Previous 411.00 375.50	320.00 308.40 297.00 298.00 285.80 282.00 284.00 277.00 High/Low 417.00 408.00 375.50 374.00
Raw Oct Dec Mar May Aug White Oct Dec Mar	Close 31P.20 307.80 297.80 291.60 286.00 Close 419.50 377.50 369.00	308.60 297.00 268.40 283.20 277.90 Previous 411.00 375.50 361.00	320.00 308.40 297.00 298.00 286.60 292.00 284.00 277.00 High/Low 417.00 408.00 369.20 351.00
Raw Oct Dec Mar May Aug White Oct Dec Mar May Oct	Close 31P.20 307.80 291.60 291.60 286.90 Crose 419.50 377.50	308.60 297.00 288.40 283.20 277.90 Previous 411.00 375.50	320.00 308.40 297.00 298.00 285.80 282.00 284.00 277.00 High/Low 417.00 408.00 375.50 374.00
Raw Oct Dec Mar May Aug White Oct Dec Mar May Oct Turnov	Close 31P.20 307.80 297.80 297.80 286.00 Crose 419.50 377.50 369.00 367.00 359.00 er Raw	308.60 297.00 288.40 283.20 277.00 Previous 411.00 375.50 361.00 352.50 5669 (2140	320,00 308,40 297,00 298,00 286,60 292,00 284,00 277,00 High/Low 417,00 408,00 375,50 374,00 369,20 351,00
Raw Oct Mar May Aug White Oct Mar May Oct Turnov White (Paris-1	Close 319.20 307.80 291.80 291.80 288.90 Crose 419.50 369.00 367.00 359.90 367.00 369.00 367.00 369.00 369.00 369.00 369.00 369.00 369.00 369.00 369.00 369.00	308.60 297.00 283.40 283.20 277.90 Previous 411.00 375.50 361.60 358.90 352.50 per toonis)	320.00 308.40 297.00 285.60 292.00 284.00 277.00 High/Low 417.00 408.00 375.50 374.00 369.20 351.00 354.50 358.00
Raw Oct Dec Mar May Aug White Oct Dec Mar May Oct Turnov White Paris-1 Mar 24	Close 319.20 307.80 291.80 291.80 288.90 Crose 419.50 369.00 367.00 359.90 367.00 369.00 367.00 369.00 369.00 369.00 369.00 369.00 369.00 369.00 369.00 369.00	308.60 297.00 298.40 283.20 277.00 Previous 411.00 375.50 361.00 352.50 5669 (2140) per tonne): 375. Aug 2:	320.00 306.40 297.00 286.60 298.00 286.60 282.00 284.00 277.00 HightLow 417.00 408.00 375.51 374.00 369.20 351.00 364.50 960ts of 50 to
Raw Oct Dec Mar May Aug White Oct Dec Mar May Oct Turnov White Paris-1 Mar 24	Close 31P.20 307.80 291.80 291.80 291.80 286.90 Crose 419.50 377.50 369.00 369.00 359.90 er Raw 81   1071), White (FFr	308.60 297.00 298.40 283.20 277.00 Previous 411.00 375.50 361.00 352.50 5669 (2140) per tonne): 375. Aug 2:	320.00 306.40 297.00 286.60 298.00 286.60 282.00 284.00 277.00 HightLow 417.00 408.00 375.51 374.00 369.20 351.00 364.50 960ts of 50 to
Raw Oct Dec Mar May Aug White Oct Dec Mar May Oct Turnov White 245 Oct Case Oct Turnov Sep	Close 31P.20 307.80 297.80 291.80 291.80 298.90 Crose 419.50 369.00 367.00 367.00 367.00 ar Raw 81 (1071) White (FFr 00. May 2	308.60 297.00 288.40 283.20 277.00 Previous 411.00 375.50 361.00 358.00 358.00 359.50 9er tonne): 375. Aug 2:	320.00 306.40 237.00 286.60 239.00 286.60 232.00 234.00 277.00 High/Low 417.00 408.00 376.50 374.00 369.20 381.00 364.50 358.00 Oct 2700, Dec 357. Oct 2305. High/Low 152.25 150.25
Raw Oct Dec Mary May Aug Oct Dec Mary May Oct Turnov While ( Paris- \ Mar 24  QAS O	Close 31P.20 307.80 291.80 291.80 291.80 281.80 419.50 377.50 369.00 359.90 er Rawn 81 1107.White (FFr 00. May 2 IL S/tonne 150.50	308.60 297.00 288.40 283.20 277.00 Previous 411.00 375.50 361.00 352.50 5689 (2140 per tonne) 375. Aug 2 Previous	320.00 306.40 297.00 286.60 298.00 286.60 292.00 284.00 277.00 High/Low 417.00 408.00 375.50 374.00 369.20 381.00 369.20 381.00 369.20 387. Oct 2308. High/Low High/Low 152.25 160.25
Raw Oct Dec Mar May Aug White Oct Doc Turnov While Paris- \ Mar 24	Close 31P.20 307.80 297.80 291.60 298.90 Cross 419.50 369.00 367.00 367.00 arr Raw 81   1071), White (FFr 00. May 2 IL S/tenna Close 150.50 150.25	308.60 297.00 298.40 283.20 277.00 Previous 411.00 375.50 361.00 362.50 5669 (2140 per tenne) 375. Aug 2:	320.00 306.40 297.00 286.60 298.00 286.60 292.00 284.00 277.00 Hight/Low 417.00 408.00 376.50 374.00 369.20 381.00 364.50 368.00 Got 2700, Dec 357, Oct 2305. Hight/Low 152.25 160.25 152.00 150.00
Raw Oct Dec Mar May Aug White Oct Mar May Mar May Mar May Oct Turnov White CParis- \ Mar 24  CAS O	Close 31P.20 307.80 297.80 291.80 291.80 286.90 Crose 419.50 367.90 369.00 359.90 er Raw 377.50 May 2 IL S/tenne Close 150.50 150.25 150.25	308.60 297.00 288.40 283.20 277.00 Previous 411.00 375.50 381.00 358.00 358.50 9er tonne): 375. Aug 2:	320.00 306.40 297.00 286.60 292.00 286.60 292.00 284.00 277.00  HightLow 417.00 408.00 376.50 374.00 369.20 351.00 364.50 364.50 365.00  Oct 2700, Dec 357, Oct 2303.  HightLow 152.25 150.25 152.00 149.75 153.00 150.90
Raw Oct Dec Mary Mary Aug White Oct Dec Mary May Oct Mary May Oct White Oct Paris- Nav Oct Oct Nav Oct Jan	Close 31P.20 307.80 297.80 291.80 291.80 298.80 Cross 419.50 377.50 369.00 359.80 br Raw 831  1071r 000. May 2 L Sztonna Close 150.55 150.25 151.00	308.60 297.00 288.40 283.20 277.00 Previous 411.00 375.50 361.00 352.50 5669 (2140) per tonne): 375. Aug 2: 150.00 150.00 150.00 149.00	320.00 306.40 297.00 286.60 298.00 286.60 292.00 284.00 277.00 High/Low 417.00 408.00 376.50 374.00 369.20 381.00 369.20 381.00 369.20 387. Oct 2308. High/Low 152.05 150.25 152.00 149.78 153.00 150.50 151.00
Raw Oct Dac Dac May Aug White Oct Dac May Oct Turnov White CQAS O CI Nov Dac Jan Fob	Close 317.20 307.80 291.80 291.80 291.80 291.80 377.50 369.00 359.90 br. Raw 831   10711 700. May 2 L Shorne L Shorne 150.50 150.25 151.00 148.25	308.60 297.00 288.40 283.20 277.00 Previous 411.00 375.50 381.00 358.00 358.50 9er tonne): 375. Aug 2:	320.00 306.40 297.00 298.00 286.60 292.00 284.00 277.00 HightLow 417.00 408.00 369.20 381.00 369.20 381.00 369.20 381.00 369.20 381.00 369.20 381.00 358.00 HightLow 152.05 150.25 152.00 150.00 152.00 150.00 152.00 149.78

Close Previous High/Lov

per tonne			
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.5862		nonths: 1.56	85
OPE Char			
Close	Previous	High/Low	
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EAN ME	al Shorae		
Close	Previous	High/Low	
136.40	129.50	136.40	
	139.50		00
F 100 (50	lots of 20	tonnes.	
ir Futus			
Close	Previous	High/Low	
1443	1438	1438	
1513	1589	1575 1570	
1600	1597	1505 1598	
1623	1029	1630 1625	
r 139 (61			
S C/tonne			-
Closo	Previous	High/Low	
			00
107.25	106.60	107-25 107.	
110.50	110.35	110.50 110.	50
110.50 113.95	110.35 113.65	110.50 110. 113.95 113.	50
110.50	110.35	110.50 110.	50
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	1685-1596 1596-2 1499 1440-2 1	1685-95 11 1596-600 11 100 11 1596-600 11 100 1597 1620 17 100 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 17 150 1620 1620 1620 1620 1620 1620 1620 162	1595-500 1607-10    Section

, Spe	cial Hig	h Grade (	per tonnel			Ring	<b>LITTO</b>	ver 11,6	25 tonn
n onth	1798- 1658-		1595-700 1557-90	1800/1790 1660/1648	1795-800 1655-60	1655-80		7,379	lots
(\$ p	er tonns					Ain	ם שונות	Wer 8.2	225 tonn
h onths	1685- 1596-		1690-5 1607-10	1505/1600	1685-95 1600-10	1596-60	xo	11,745	lots
7: 1.	sing £/\$ 5862	rete:	months: 1.5	685	& months:	1.5459		9 mgati	NE 1.531
ATO	ES Eftor	nn <del>e</del>			LONDON BU	FLICK MAI	KET		
	Close	Previous	High/Low		Gold (fine oz)	0 price	Σ	equiva	iont
	140.0 214.9	138.0 204.5	139.0 137. 215.0 206.	5	Close	361 4-361 4		28-228	
			40 tonnes.		Opening fix Morning fix Alternoon lix	365-3661 <sub>2</sub> 364.40 361.90	2	264-22 27.793 27.067	74
Abo		AL E/tonn			Day's high	355-35512			
	Close	Previous			Day's low	3804,-9614			
	136.40	129.50	136.40						
	135.40	139.50	136.40 138	5.00	Coins	S price		ed/figA1	
over	100 (50	lots of 20	tonnes.		Mapielsa: Britannia US Eagle	372-377 372-377 372-377	2	344-23 344-23 344-23	7 %
OH:	. FUTU	PERS \$10/70	idea point		Angel Krugerrand	372-377	2	34 1 2	734
	Close	Previous	High/Low		New Sov.	85-86		28-230 31 <sub>2-64</sub> 1	L
	1443	1438	1438		Old Sov. Noble Plat	85-86	5	3 2-54	le .
	1S13 7588	1511 1569	1520 151S 1575 1570		MODIO PIEZ	484.60-452.	3	04.50-3	09.35
	1600	1597	1505 1598						
	1623 1401	1624 1394	1630 1625		Silver fix	prime oz	t	IS cts e	quiv
Over	139 (61	3)			Spot 3 months	322.00		13.10	
		•			& months	333.00 344.25	5	24.70 35.15	
JHS	C/tonne	_			12 months	385.20		55.80	
_	Cioso	Previous	High/Low						
	107.25	106.60	107-25 107	7.00	LONDON ME	AL EXCHA	IQE TH	ADED	OPTION
	110.50	110.35	110.50 110	1.50	Alumiatum (9	97%) 0	alis		Puta
	113.95 116.60	113.65 116.40	113.95 113 116.60	3.80	Strike price S		Nov		
	119.60	119.40	11P.50		1700			Sep	Nov
					1800	118 44	122 83	29	24
47	Close	Previous	High/Low		1900	9	27	84	125
	103.10	103.20	103.10 103	2.00	Copper (Grad	EAL C	alis	. 1	uts.
	107.10	107.10	197.30 107	7.10	2500	148	157	20	84
	112.60	109.80	110.00 100	9.85	2600	92	108	53	132
	114 65	114.55	114.65		2700	38	70	108	192
Over Over	Wheel lots of	249 (257). 100 tonne	Barley &6 (	72).	LONDON PO	TRADED C	PTION	s	
					Coffee	Sep	Nev	Sep	Nov
S ICa	sh Sem	emont  p/i	10		700	34	73	2	32
	Close	Previous	High/Low		750	S	43	23	57 .
	1150		114.5		600		30	58	89
	120 0 120.0	1 19.5 120.0	119.0 119.0	-	Cocos	δep	Dec	Sep	Dec
	113.5	113 5	112.5		850	23	97	4	21
	114,0	114.5	113.8		900	2	85	33	39
<b>IDVO</b>	88 (70)	lots of 3,	250 kg		950		42		58

هازا من لأصل

#### Burnham Lambert. Options expiry on silver coupled with bargain hunting saw prices recover after making new contract lows, and cold and platinum Ring turnover 2,592 tonne saw late recoveries on short-covering. Copper penetrated overhead resistance and rallied sharply Ring turnover 405 tonne influenced also by options ex Crude oil futures railled early ontoflow-through buying, but failed to hold and fell as traders liquidated expired, Sugar railled on comm house and trade buying after holding recant lows, cottee fell sharply with a combination of speculative long liquidation, origin and arbitrage selling: cocca also fell on currency-based selling and speculative liquidation. Cotton fell as comm houses figuidated longs following a mildly-beartsh crop report and des light trade buying. Live hogs railled as traders reassessed expectations of hog marketinge next week, pork bellies rose in response to higher cash prices,

**US MARKETS** 

IN THE METALS, release of the US

declina in July of 0.4 percent, led to

strong buying interest in the US dollar

which in turn prompted a sharp decline in the precious metals, reports Drexel

producer price index, showing a

<b>GOLD</b>	100 truy	oz.; S/trey o	2	
	Close	Previous	High/Low	
Aug	385.2	367.3	385.5	362.0
Sep	365.8	368.5	0	0
Oct	367.7	370.4	356.7	364.5
Dec	371,4	374.2	372.5	. 368,5
lun	375.1	377.9 385.4	382.0	372.5
				350.2
2411		roy oz: \$/tro		
	Close	Previous	High/Low	
Sep Oct	482.7 485.7	485.8 485.5	0	477.0
Jan	489.5	482.4	487.0 497.0	463.0
Apr	493.2	495.9	491.0	487.5
Jul	495.8	499.1	490.0	490.0
Oct	- 500.4	502.1	0 .	0
HLVE	R 5,000 to	dy dz cents	Viroy oz.	
	Clase	Previous	High/Low	
lug	519.2	S16.3	522.0	509.5
ep.	521.8	519.3	626.0	810.D
Ct	\$25,7	523.2	522.5	522,5
Dec	534,1	531.4	535.0	522.0
lan dar	537.3	534.6	0 .	0
ver vey	545.4	542.6	546.0 554.5	545.0
nay kd	553.1 581.2	550.2 556.2	582.0	650.0
SED	569.3	565.2 -	0	0
ec.	580.7	577.5	531.0	566.0
KOK				
_				
REUT		e: Septemb		
	Avg 10	P guA	moth ago	AL SO
	1883.2	1901-8	1925.4	1876.3
DOW	JONES (E	Base: Dec. 3	1 1974 = 1	(OO)
Spot	129.03		128.38	131.5
	128.41	128,41	129.04	135.50

OFF	ER 25,000	fbs; cents/	bs .		Ch	cago			
	Close	Previous	High/Low	,		7			
פע	117,35	112.00	117.00	117.80	SOYA	BUNS 5,00	0 bu min; c	ents/60lb b	uanel
<b>ep</b>	117.00	112.23	117.50	111.50		pao	Previous	High/Low	
ci BC ·	1 18.10 114.50	111,30	112.00	712.00 109.00	Aug	564	603/2	628/0	· 813
			11-10-0	100.00	Sop	544	580/2	606/0	593
					Nov nat.	600	575/0	605/0	586
RUD	E OIL (Li	tht) 42,000 (	JS galls S/	barrel	Mar	608	584/4 594/6	610/0 518/0	598 607
	Latest	Previous	High/Lov	,	May	6164	602/4	628/0	514
ep ict	18.48	18,59	18.82	18.45	Jul . Sep	619/6	605/0	632/0	818
	18.15	18.29	18.49	18.13	Nov	591/0	584/0 582/0	593/0 600/0	503 505
ov sn	16.06 17.90	18.17	18.30 18.10	18.01 17.88		BEAN ON	0.000 lbs; c		-
eb	17.83	17.85	17,95	17.88	2017	Circ.		conts/lb	
la:	17,70	17.90	17.90	17.80	·	Close	Provious	High/Low	
pr	17.77	17.86	17.83	17.74	. Aug Sep	18.88 · 18.83	1.26	18.85	18.4
					Oct	18.85	137	18.95 19.15	10.
EAT	ING OIL 4	2,000 US ga	ils, cents/	US oatts	Dec	19.01	<i>p</i> 3	19 80	13.
	Letest	Previous	High/Lov	,	Jan Mar	10.53	195 196	19.75	19.4
œp.	4985	5021	5070	4980	May	19.95 20.25	190	20.15	19.4
ct	5065	5084	S125	5050	Jul	20.40	20.	20.25 20.70	20.2
ec ov	5135 5310	S162	5190	5125	SOYA	DEAN ME	AL 100 ns;	\$Ann	
	5210 · 5230	5232 5200	5285 5280	5200 5245					
eti eti	5165	8190	5215	5105	- I	Close	Previs	High/Low	
ar	5000	6000 4825	5020 4860	6000	Aug Sep	202.5 188.0	196.2	204,0	200
pr ley	4845	4725	4735	4846 4735	Out.	184.0	184.5	191.0 187.0	187 183
-,				-1.00	Dec	183.0	175.7	186.0	182
					Jan . Mar :	182.S 183.D	178.9	186.0	182
occ		nes;\$/tonne	<u> </u>		May	183.5	180.0 181.5	198.0	183
	Close	Previous	High/Lov		Jul	185.0 .	182.0	187.0 1860	182 185
ep	1278	1308	1292	1286	MAIZ	5,000 bu	min; cents	/Sp bushel	
ec.	1301	1332	1305 .	1293		Close	Previous		
ay.	1299	1331	1314 1315	1295 1301	Sep			1-3	
d.	1923	1852	0	.0	Doc	234/0	225/0 225/8	5/0	231
ap .	1333	1369	1345	1330	Mar	243/4	233/4	5/6	234 241
GC.		<b>13</b> 91	1389	1362	Stay Jul	250/0	239/6	₹ <b>V6</b>	246
-							240/0	200	248
					Sep	1246/6	237/8	260	-
		,500lbs; car			Dec	244/2	237/6 238/6	246 246	245
	Close	Previous	High/Lov		Dec	244/2	238/6	246 246	243
ep	76,84	Previous 79,97	High/Lov 79.25	76.40	Dec	244/2	238/6 u min; cents	246 246 1/8010-tehe	24
ep ec	76,84 78,81 80,95	79,97 80.60 63.20	High/Lov	76.40 78.25	Dec	244/2 T6.000 b Closs	238/6 u min; cents Previous	246 246 V6010-tehel High, ov	242
ep ec lar	76,84 78,81 78,81 80,95 83,43	79,97 80.60 83.20 85.36	79.25 79.90 62.50 84.75	76.40 76.25 80.88 82.80	Sep Dec	244/2 176,000 to Close 397/6 112/6	238/6 u min; cents Previous 395/6 409/2	246 246 West-baher High ow	397
ec ec iar	76,84 78,81 80,95 63,43 85,63	Previous 79,97 80.60 63.20 85.36 87.75	79.25 79.90 82.50 84.75 86.75	76.40 76.25 80.86 82.60 85.25	Sep Dec Mar	244/2 176,000 to Close 397/6 112/6 117/4	238/6 u min; cents Previous 395/6 409/2 413/2	246 246 4600 behel High ow 4014 418-0 420-2	397 412 416
ep ec ar ay u	76,84 78,81 78,81 80,95 83,43	79,97 80.60 83.20 85.36	79.25 79.90 62.50 84.75	76.40 76.25 80.88 82.80	Sep Dec	244/2 Close 397/6 \$12/6 \$17/4 97/0	238/6 u min; cents Previous 395/6 409/2 413/2 395/0	246 246 High on 4914 418-0 420-2 401/0	397 412 415 397
ec ar ar ec	76.84 78.81 80.95 83.43 85.63 88.75 92.35	Previous 79,87 80,60 83,20 85,35 87,75 90,00 93,00	79.25 79.90 82.50 84.75 86.75 89.25	76.40 76.25 80.55 82.60 85.25 88.50 90.00	Sep Dec Mar May	244/2 176,000 to Close 397/6 112/6 117/4	238/6 u min; cents Previous 395/6 409/2 413/2	246 246 4600 behel High ow 4014 418-0 420-2	397 412 415 397 397
ep ec lar lay ul ep	76.84 78.81 80.95 83.43 85.63 88.75 92.35	79,97 80,60 63,20 85,36 87,75 90,00	79.25 79.90 82.50 84.75 86.75 89.25	76.40 76.25 80.55 82.60 85.25 88.50 90.00	Sep Dec Mar May Jul Sep	244/2 T5.000 b Ciges 307/6 112/6 117/4 97/0 25/4 28/0	238/6 u min; cents Previous 395/6 409/2 413/2 385/0 365/0 368/0	246 246 High ow 4914 418/3 420/2 401/0 570/0 369/0	397 412 416 397 365
ep ec lar lay ul ep	76.84 78.81 80.95 83.43 85.63 88.75 92.35	Previous 79,87 80,60 83,20 85,35 87,75 90,00 93,00	79.25 79.90 82.50 84.75 86.75 89.25	76.40 78.25 80.88 82.60 85.25 88.50 90.00	Sep Dec Mar May Jul Sep	244/2 TIS.000 to Close 397/8 112/6 117/4 97/4 95/4 25/4 25/4	238/6 u min; cents Previous 395/6 409/2 413/2 385/0 385/0 0,000 lbs; ce	245 245 4000-tehe High ow 491/4 418/3 420/2 401/0 570/0 389/0	397 412 415 397 397
ep ec lar lay p ec	76.84 76.84 76.81 80.95 63.43 85.63 88.75 92.35	Previous 79,97 80,60 83,20 85,26 87,75 90,00 98,00 911 112,0 Previous	High/Low 79.25 78.90 62.50 84.75 86.75 89.95 92.25 90 ibs; cen	76.40 76.25 80.66 82.60 85.25 98.50 90.00	Sep Dec Mar May Jul Sep LIVE	244/2 T15,000 to Close 397/6 112/6 117/4 97/0 25/4 28/0 CATILE 40	238/6 u min; centu Previous 395/6 409/2 413/2 385/0 385/0 385/0 0,000 lbs; ce	245 245 245 High ow 491/4 418/3 420/2 401/0 570/0 389/0 mos/los	397 412 416 397 365
ep ec ar ay al ep- ec	76.84 76.81 76.81 80.95 65.63 85.63 85.75 92.35 R WORLD Close 14.42 12.73	Previous 79,97 80,60 83,20 85,36 87,78 90,00 93,00 93,00 Previous 13,65 12,30	18gh/Low 79.25 79.90 62.50 84.75 66.75 89.25 92.25 90 lbs; cen 18gh/Low 14.44 0	78.40 78.25 80.55 82.50 85.25 88.50 90.00 ts/lbs	Sep Dec Mar Mar Jul Sop Live	244/2 176,000 & Close 397/6 117/4 97/0 25/4 289/0 CATALE 40	238/6 u min; cents Previous 395/6 409/2 413/2 385/0 385/0 385/0 385/0 74.67	246 246 High on 491/4 420/2 401/0 570/0 389/0 Interlos Nigh/Lo	397 412 416 397 366
ep ec ar ay il ep- ec	Close 76.84 78.81 80.95 63.43 86.63 86.75 92.85 R WORLD Close 14.42 12.73 13.41	Previous 79,87 80,69 85,29 85,29 85,29 87,75 90,00 98,00 111" 112,0 Previous 13,85, 12,30, 12,91	78.25 79.90 82.50 82.50 84.75 86.75 89.25 92.25 90 lbs; cen 14.44 0 13.42	78.40 78.25 80.85 82.80 85.25 88.50 90.00 ts/lbs	Sep Dec Mar May Jul Sop LIVE (	244/2 CT6.000 b Close 397/6 112/6 117/4 97/0 25/4 26/0 CATTLE 40 7000 1157 745	238/6 u min; centu Previous 395/6 409/2 413/2 385/0 385/0 385/0 0,000 lbs; ce	248 246 High ow 4014 420/2 401/0 570/0 570/0 High/Lo 74.60 0	397 412 416 397 965 366
ep ec et et en et	76,84 76,84 78,81 80,95 63,43 85,65 86,75 92,35 R WORLD Ckiese 14,42 12,73 13,41 13,08	Previous 79,87 80,60 83,20 85,38 87,78 90,00 98,00 111" 112,0 Previous 13,65 12,30 12,91 12,77	PRGN/Low 78.25 78.90 62.50 84.75 86.75 89.25 92.25 90 lbs; cen PRGh/Low 14.44 0 13.42 13.10	76.40 76.25 80.55 82.50 85.25 88.50 90.00 13.78 0 12.92 12.70	Sep Dec Mary Jul Sop LIVE ( COC Ooc	244/2 T6.000 b Close 307/6 \$12/6 \$17/6 \$5/4 28/0 CATLE 40 7000 A 77 74 b	236/6 u min; cents Previous 395/6 409/2 413/2 365/0 365/0 365/0 365/0 365/0 374/67 75.95 74.67 75.95 74.67 74.67	246 246 High on 491/4 420/2 401/0 570/0 389/0 Interlos Nigh/Lo	397 412 416 397 365 369 
ay in second	Close 76.84 78.81 80.95 63.43 86.63 86.75 92.85 R WORLD Close 14.42 12.73 13.41	Previous 79,87 80,69 85,29 85,29 85,29 87,75 90,00 98,00 111" 112,0 Previous 13,85, 12,30, 12,91	78.25 79.90 82.50 82.50 84.75 86.75 89.25 92.25 90 lbs; cen 14.44 0 13.42	76.40 76.25 80.55 82.80 85.25 88.50 90.00 13.78 0 12.92 12.70 12.54	Sep Dec Mar May Jul Sop LIVE (	244/2 T5.000 b Close 397/6 112/6 112/6 117/0 25/4 259/0 CATILE 40 7000 14.15 7.17 7.17	238/6 u min; cents Previous 395/6 409/2 413/2 395/0 385/0 385/0 0,000 lbs; ce Previous 74.57 75.95 78.27 74.87 70.172	248 248 248 4900 - sehel 4900 4900 5700 5700 5700 74.80 74.80 75.00 75.00 75.00 75.00 75.00	397 412 416 397 366 743 74 74 74
ay in population of the state o	76.84 76.84 76.81 80.95 85.63 86.75 92.35 R WORLD Close 14.42 12.73 13.41 13.09 12.95	Previous 79,97 80,60 68,20 85,36 87,75 90,00 98,00 111** 112,0 Previous 13,65 12,30 12,81 12,67	High/Low 79.25 79.90 82.90 84.75 84.75 84.75 89.25 92.25 90 lbs; cen 14.44 0 13.42 13.10 12.96	76.40 76.25 80.55 82.50 85.25 88.50 90.00 13.78 0 12.92 12.70	Sep Dec Mar May July Sop Cive Sep Occ Feb App	244/2 VT6,000 b Close 397/6 112/6 117/6 97/0 25/4 25/4 7000 7000 74/5 74/7 73/8 74/7	238/6 u min; cents Previous 395/6 409/2 413/2 395/0 385/0 385/0 0,000 lbs; cs Previous 74.67 75.95 76.27 74.87 79.12 74.70	248 248 248 High on 491A 480A 420A 4010 5700 3890 Might o 74.80 75.00 75.00 75.00 75.00 75.00 75.00 75.00	397 412 416 397 366 366 74. 75. 74.
ep ec lar lay lay lay ec ct in tr ay d	76.84 76.84 76.81 80.95 85.63 86.75 92.35 R WORLD Close 14.42 12.73 13.41 13.09 12.95	Previous 79,97 80,60 83,20 85,36 87,78 90,00 90,00 911" 112,0 Previous 13,63 12,30 12,91 12,77 12,62	High/Low 79.25 79.90 82.90 84.75 84.75 84.75 89.25 92.25 90 lbs; cen 14.44 0 13.42 13.10 12.96	76.40 76.25 80.55 82.80 85.25 88.50 90.00 13.78 0 12.92 12.70 12.54	Sep Dec Mar May Jul Sop LIVE ( Oct Ooc Fab Apr Jun Aug	244/2 T15.000 b Close 397/6 112/6 97/0 25/4 25/4 25/4 25/4 26/0 24/1 74/2 74/3 74/3 74/3 74/3 70/30	238/6 u min; cents Previous 395/6 409/2 413/2 395/0 385/0 385/0 0,000 lbs; ce Previous 74.67 75.95 76.27 74.87 70.72 74.70 72.95	248 248 248 High on 491A 480A 420A 420A 420A 420A 420A 420A 74.80 74.80 74.80 75.00	397 412 416 397 366 366 74. 75. 74.
ep ec lar lay lay lay ec ct in tr ay d	76.84 78.81 78.95 58.45 56.45 56.45 56.65 88.75 92.35 R WORLD 14.42 12.73 13.41 15.09 12.85 12.80 M \$0.000;	Previous 79,97 80,60 83,20 85,36 87,78 90,00 90,00 911" 112,0 Previous 13,63 12,30 12,91 12,77 12,62 12,25 cents/ibs	NightLov 79.25 79.90 82.50 84.75 86.75 89.35 92.25 90 lbs; cent 14.44 0 13.42 13.10 12.95 12.50	76.40 76.25 80.55 82.80 85.25 88.50 90.00 13.78 0 12.92 12.70 12.54	Sep Dec Mar May Jul Sop LIVE ( Oct Ooc Fab Apr Jun Aug	244/2 T15.000 b Close 397/6 112/6 97/0 25/4 25/4 25/4 25/4 26/0 24/1 74/2 74/3 74/3 74/3 74/3 70/30	238/6 u min; cents Previous 395/6 409/2 413/2 395/0 385/0 385/0 0,000 lbs; ce Previous 74.67 75.95 76.27 74.87 70.72 74.70 72.95	248 248 248 High on 491A 480A 420A 420A 420A 420A 420A 420A 74.80 74.80 74.80 75.00	397 412 416 397 366 366 74. 75. 74.
ep ec sur sup ep ec tun tun tun tun tun tun tun tun tun tun	Close 76.84 78.81 78.95 80.95 85.45 86.75 92.35 R WORLD 14.42 12.73 13.41 15.09 12.85 12.60 W 50.000	Previous 79,97 80,60 83,20 85,36 87,78 90,00 90,00 911" 112,0 Previous 13,65 12,30 12,91 12,77 12,62 12,25 cents/tbs	NightLow 79.25 79.90 82.50 84.75 85.75 80.35 92.25 90 lbs; cen 14.44 0 13.42 13.10 12.95 12.50	76.40 76.25 80.68 82.60 85.25 88.50 90.00 ts/lbs	Sep Dec Mar May Jul Sop LIVE ( Oct Ooc Fab Apr Jun Aug	244/2 TIS.000 bit Close 397/6 112/6 112/6 117/4 97/4 25/4	258/6 u min; cents Previous 395/6 409/2 413/2 305/0 306/0 306/0 306/0 306/0 306/0 70.000 lbs; ce Previous 74.07 75.95 76.27 74.70 72.20 70.85 00 lb; cents	245 245 245 4000 dahe 4100 4100 4200 4200 4200 5700 3890 0 74.80 0 74.80 0 75.30 75.00 75.	397 412 416 397 395 395 395 74. 76. 77. 74. 74. 74. 74. 74. 75. 74. 74. 74. 74. 75. 74. 74. 74. 74. 75. 76. 76. 76. 76. 76. 76. 76. 76. 76. 76
ep ec sur sup ec ect in tur tur tur tur	76.84 76.84 78.35 80.95 85.43 86.63 88.75 92.35 R WORLD 14.42 12.73 13.41 13.09 12.95 12.80 20 50.000; Close 74.64	Previous 79,97 80,60 83,20 85,36 87,78 90,00 98,00 98,00 911" 112,00 Previous 13,65 12,30 12,81 12,77 12,62 12,25 cents/lbs	NightLow 79.25 79.25 82.50 84.75 85.75 80.25 92.25 90 lbs; cent 14.44 0 13.42 13.10 12.95 12.50 High/Low 78.00	76.40 76.25 80.56 82.80 85.25 88.50 90.00 13.78 0 12.92 12.70 12.64 12.25	Sep Dec Mar May Jul Sop Live ( Aug Sep Oc: Dec Feb Apr Jun Aug Live )	244/2 T15.000 bi Close 397/6 112/6 112/6 112/6 117/4 97/0 25/4 25/4 25/4 25/4 7000 71/5 71/7 71/7 70/30 Close	238/6 u min; cents Previous 395/6 409/2 413/2 395/0 385/0 385/0 0,000 lbs; ce Previous 74.67 75.95 76.27 74.87 70.72 74.70 72.95	248 248 248 High on 491A 480A 420A 420A 420A 420A 420A 420A 74.80 74.80 74.80 75.00	397 412 416 397 395 395 395 74. 76. 77. 74. 74. 74. 74. 74. 75. 74. 74. 74. 74. 75. 74. 74. 74. 74. 75. 76. 76. 76. 76. 76. 76. 76. 76. 76. 76
ep ec ex ex ec ec ec	Cices 76.84 76.81 76.81 76.81 76.83 50.95 53.45 65.65 88.75 92.35 F WORLD 14.42 12.73 13.41 13.05 12.95 12.60 PM 50.000/	Previous 79,97 80,69 83,20 85,36 87,75 90,00 98,00 911" 112,00 Previous 13,65 12,30 12,91 12,77 12,62 12,25 Cents/tis Previous 75,30 75,15	High/Low 79.25 79.25 79.25 82.50 84.75 89.25 92.25 90 lbs; cen 14.44 0 13.42 13.10 12.95 12.95 High/Low High/Low 78.00 78.93	76.40 76.25 80.55 82.50 85.25 88.50 90.00 13.78 0 12.92 12.70 12.54 12.25	Sep Dec Mar Mary Jul Sop LIVE ( Doct Doct Apr Jun Aug	244/2 TIS.000 b Close 397/6 112/6 117/4 97/0 25/4 25/4 25/4 26/0 24/15 74/5 7	238/6 u min; cents Previous 395/6 413/2 413/2 395/0 368/0 368/0 0,000 lbs; ce Previous 74.67 75.95 76.27 74.70 12.30 70.85 00 lb; cents Previous 48.60	245 245 245 4000 dahe 4010 4010 5700 5700 5700 74.80 0 78.30 75.00	245 397 412 416 395 395 74 75 74 72 12 12 14 14 14 14 14 14 14 14 14 14 14 14 14
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#### INT. COMPANIES

### Hotel groups cool over Hilton

By David Churchill, Leisure Industries Correspondent

INTERNATIONAL hotel groups were cool yesterday about making what would need to be a \$3bn takeover bid for Hilton Hotels, the US domestic chain which late on Thursday said it was contacting prospec-

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tive buyers.
Hilton operates only in the
US and is separate from the Hilton International chain outside the US, which is owned by Ladbroke, the UK hotels and

gaming group.
Trusthouse Forte, the UK's leading hotel chain and the eighth largest in the world, yesterday again ruled out any offer. It said in London it was not interested in making a bid for the 270-strong chain, although it had looked closely at Hilton. Ladbroke last night reaffirmed that it was not interested in buying the US

Hilton's willingness to be taken over first became clear last June when it appointed financial advisers to evaluate the group's prospects. This was seen as an indication that the company would be keen on a friendly takeover.

However, it is understood that no serious inquiries for the chain have so far been made. This put Hilton in the rather embarrassing position of having to announce that it planned to approach potential buyers to see if a deal could be deal has much to do with the legal wrangling in recent years between the heirs of Mr Con-rad Hilton, the group's

The suits were finally resolved last spring, giving Mr Barron Hilton, the founder's son, voting control although not ultimate ownership of 25 per cent of the company's

It is understood that the Hilton family interests want to realise at least part of their assets in the near future. Although the Hilton name is one of the most attractive of all

one of the most attractive of all hotel brand names, the company has problems for would-be purchasers.

The main stumbling block is the company's highly profitable casino interests in Las Vegas and Reuo, Nevada. It would be difficult, for example, for a Korean or Lavanese property.

for a Korean or Japanese prop-erty company — the most likely bidder for Hilton — to be able to take over these casinos as well, given the strict gambiing laws in the US. Thus Hilton would need to sell these casinos, or initiate a

management buy-out, before management buy-out, before the hotels could be sold. Hotel investors are also understood to be wary of the large number of franchise properties in the Hilton portfo-lio in the US, providing any company that acquires the Hil-ton chair portantal problems in truck. ton chain potential problems in Hilton's willingness to do a management control.

### Two Singapore banks record higher earnings

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE IN THE HIGH COURT OF JUSTICE OF CHANCERY DIVISION

OVERSEA-CHINESE Banking Corporation (OCBC) and Overseas Union Bank (OUB), Singapore's third and fourth largest bank holding groups respec-tively, each recorded higher earnings for the six months to June, AP-DJ reports from

OCBC said group net profit for the period jumped 37.2 per cent to \$\$90.7m (US\$46.2m). Earnings were boosted further by an extraordinary gain of S\$126.3m that left final net profit at \$\$217.1m. The gain was a surplus on the sale of 45.4m shares in Wing On (Holdings), a Hong Kong company.

IN THE MATTER OF

ASHLEY GROUP DIC AND IN THE MATTER OF

THE COMPANIES ACT 1985

At OUB, group net profit climbed 24.3 per cent to

At the bank level alone, OCBC said profit rose 12 per cent to \$\$53.9m. Group earnings per share rose to 16 cents from 12 cents. An interim dividend of 5

cents was declared, unchanged from the previous year.
For OUB, bank profit rose 8.1 per cent to \$\$23.9m. Group earnings per share rose to 12.5 cents from 161 cents

cents from 10.1 cents. An interim dividend of 4 cents was declared, also unchanged from the 1988

IN THE MATTER OF THE MORGAN

CRUCINLE COMPANY old

### CURRENCIES, MONEY A

FOREIGN EXCHANGES

### Dollar up despite intervention

the time the various central banks started to sell dollars, the latter had risen by a suffi-cient amount to leave many investors with short positions

that were becoming more

expensive by the minute to maintain; the size of the move

into dollars was sufficient to overcome the effects of the intervention.

The dollar rose to DM1.9385

from DM1.8915 and Y141.90 compared with Y139.10. Else-where, it finished at SFr1.6720

from SFr1.6305 and FFr6.5500 from FFr6.3950. On Bank of

England figures, the dollar's exchange rate index rose to 70.9 from 69.6 on Thursday. Later trading in New York saw

further confidence because at first there was no sign of any central bank intervention. By

yesterday, and many traders

expect the dollar's improve-

ment to continue up to around

Sterling fell sharply in dollar terms but was a little steadier

against its major European

trading partners. A combina-tion of high interest rates and

little prospect of an early reduction is maintaining over-

seas demand for the pound, but

this was not enough yesterday to prevent it falling to a six-week low against the US unit at \$1.5855 from \$1.6270 on

Against the D-Mark, sterling

finished at DM3.0725 from DM3.0775 and SFr2.6500 compared with SFr2.6525. Else-

where, it slipped to FFr10.3850 from FFr10.4050 and Y225.00

2.2.

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the DML9700 level.

Thursday.

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EURO-CURRENCY INTEREST RATES

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Short 7 Days One I

POUND SPOT- FORWARD AGAINST THE POUND

CO-ORDINATED intervention by at least 10 central banks yesterday failed to balt a renewed surge by the dollar. The US unit was initially pushed firmer in late New York trading on Thursday, underpinned by a strong bond market and good demand at the US Transport 20 years are the US Treasury's 30-year auction. It consolidated its gains

in early European trading yesterday morning, and news of an unexpected fall in July US producer prices of 0.4 per cent pushed the dollar up to its best level against the D-Mark since late June.

In addition, US retail sales in July rose by 0.9 per cent which was higher than expected, and the combination of strong demand and moderating inflation implied by the latest data

The U key res before t released	er. S unit bro istance at he figures	ke through DM1.9250 had been blar gained	Yeste the doll dence t	rday's perfe ar provided hat central is likely to	ormance by further evi- bank inter- have a lim-	from FF against exchange the day's with 91.0	T10.40 Y226.3 rate s low s at t	ed to FFri 50 and Y 5. The po- index clo- of 91.4 com he openin	225.00 ound's sed at apared g
Aug.11	Latist	Previous Clase	Aug.11	Day's spread	Close	One mouth	% pa	Three Postits	% p.a.
Spot	1.5940-1.5950	1.6173-1.6180	UKt	1.5820-1.6185	1.5850 - 1.5860	0.68-0.65cm	3.03	1.99-1.95prg	4.97

STERLING INDEX

Aug.11 rate Brawing Crimens No Breiting # Crimens OS Dollar 7 1.27783 1.0786 Cumultus S. 12.36 1.47942 1.0786 Austrian Sch. 5 14.9799 1.44644 Austrian Sch. 5 14.9799 1.44644 Deutskie Mark 5.00 2.07973 2.07467 Reth Califor 5.00 2.07973 2.07467 Reth Califor 5.00 2.07973 2.07467 Reth Califor 5.00 2.71539 2.3991 French Freact 91, 815122 7.01097 Realtan Lira 1.51, 1733.54 1.9482.74 Lapanese Vot 34, 177.662 152.199 Markuty Krone 8 8.85920 7.5993 Spaubh Pesta 151.023 122.977	CURRENCY RATES					
O.S. Dollar 7 L27789 L19786 Carnellan S 12.56 Austrian Sch. 5 12.96 Austrian Sch. 5 16.9709 14.666 Belgian Frank 7.75 50 4072 43.487 Danick Krone 9 1 9.5684 8.05179 Deutsche Mark 5.00 2.07973 2.07467 Rein Calledo - 0.00 2.71539 2.3391 175.462 12.19 175.34 1.922.77 1.928 1.928 1.928 1.93 1.93 1.93 1.93 1.93 1.93 1.93 1.93	Ang.11	rate	Drawing	European † Convency Unit.		
Series Franc 53 2.07711 1.7904 Greek Drack. 2012 208.217 178.907	Ö. S. Dollar     Coundina S     Austrian Sol.     Behjan Frasis     Behjan Frasis     Benjan Frasis     Benjan Frasis     Benjan Frasis     Benjan Frasis     Benjan Frasis     Japanese Yer     Japanese Yer     Answay France     Spanish Pessita     Sweelish Kruna     Sweelish Kruna     Sweelish Kruna     Sweelish Kruna     Sweelish Pant     Frant     Frant	57.75 1800 1800 1815 1816 1816 1816 1816 1816 1816 1816	1.2789 1.49787 16.9709 50.4072 9.36973 2.71599 8.151.28 1733.54 177.482 8.85929 151.623 8.23625 2.07751 208.227 0.90332	1.67942 1.07860 1.2646 13.6642 43.4190 2.07469 2.07469 2.33716 7.01090 1.492.78 152.190 1.759334 129.971 7.05512 1.78048 1.78.907 0.777145		

CURRENCY	Aug.10	
A=11	Bank of England Index	Morgan Capracty Charges %
Sterling	91.4 70.9 105.4	-198 -84 +1.6 +9.7
Belgian Franc Dunish Krose Deutsche Mark	161.8' 163.2 112.5 167.1	+10 +13 +20.6 +16.5
Colider French Franc Lira You	99.4 99.4 139.8	15.2 18.5 71.6

Morgan Guseanty that get; sewage 1900 1982-100. Bank of England bales (Base Average 1965-1900**Rates are for Aug. 10.							
OTHE	OTHER CURRENCIES						
Aug.11	£	5					
Argentina Australia Australia Escal Faland Forest Itom Kong Kong Itom Sang por e	1893 10- 104.40 2.0950 - 2.0975 3.5116- 3.6225 6.8000 - 6.9190 252.95 - 267.50 112.9900 - 12.4150 119.607 1076-50- 1068-15 6.47340 - 0.47370 6.425 - 64.35 4.2955 - 40.98,35 2.6860 - 2.6840 4.2915 - 4.3055 6.4560 - 6.5907 40.65 - 6.75 5.8400 - 3.8440	650.00 - 655.00 1.3160 - 1.3170 2.2721 - 2.2830 4.3280 - 4.3390 1.4.351 - 1.47.05 7.3630 - 7.3050 7.1.307 665.30 - 670.70 1.27650 - 0.29750 40.50 - 0.29750 40.50 - 2.6740 2.530.00 - 2.540.00 1.8735 - 1.6866 1.3730 - 3.7510 1.9752 - 1.9545 2.7100 - 2.7150 4.6560 - 4.1475 2.5100 - 3.5613 3.6720 - 3.6730					

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FC	RW	ARE	RA	T = .	
AG	AINS	ST 5	TER	LIN	0
		-	-	4	1
	Spet	mil.	mits	miles	1

AGAINST STERLING											
	Spec		3 (2)	unds	12 with						
US Dollar D-mark French Fr. Sutse Fr. Yes	1,5955 3,6725 10,385 2,6500 225,60	1.5789 3.0549 10.342 2.6354 223.23	1.5658 3.0216 10.264 2.6068	1542 2975 16164 2565 21612	15167 19002 9973 24964 20938						

**MONEY MARKETS UK** rates

firmer LONGER TERM interest rates were higher in London yester-day, partly in response to a weaker pound, but also because there seems to be little chance of a cut in bank base rates at least until next year.
This was given added substance by the latest Bank of England quarterly bulletin which stressed that rates would have to remain high, not least to counter the effects of

higher wage settlements. One year interbank money rose to 13%-13% per cent from 13%-13% while the three-month rate was unchanged at 132-The Bank of England forecast a shortage of around UK slearing bank have landing rate

14 per cent trees May 24 £650m, later revised to £700m and then £750m, and gave help in morning of £608m through outright purchases of £3m of local authority bills and £455m of eligible bank bills in band 1 and £150m of bank bills in band 2, all at 13% per cent Further assistance was made up of \$150m of bill purchases in band 2 at unchanged rates. Factors affecting the market included bills maturing in official hands and a take-up of Treasury bills, together with

repayment of any late assistance draining £575m. -

FT LONDON INTERBANK FIXING dag raiss are the arithmetic means rounded to the searest one-states oft, of the bid and offered raiss for \$10m I by the market to five reference banks at 11.00 a.m. each working day. The banks are kitalional Westmissise Bank of Tolgro, Destsche Bank, Gamque Hational de Paris and Morgon Guaracty Yrust.

MONEY RATES										
EW YORK			Treasury	Bills and	Bonds					
unchtime immate oberigen rate d.freds d.freds at internet	101	he morth are creath hree morth his meath hre year hre year		8.03 Flat; 7.89 Seren 7.94 10-rs		78				
ILpsA	Overnight.	One Month	Two Mombs	Three Months	Six	Lorsbard Interrestion				
andret	675685 91-91 722725 52-98 124-122 7.66 92-94	6.80.6.75 9.91 7.75 7.15.7.25 331-94 124-13 84-80 94-94	6.80-6.95 9-9-1 - - 9-1-10	6.80-6.95 9.91 63-71 7.10-7.20 54-55 12-13 03-81 94-10	6.80-6.95 8%-9	7.00 B.75				

On	Six	Three	One	7 days	Overnight.	Asg.11
Yes	Months	Months	Month .	notice	Over angula	- Adam
137	234		137	13.5	23%	ntertank Offer
ננ	134	133	111	134	8 (	merbank Bid
1 #3	127	154	43E	134	13%	ocal Authority Deps
1 2.	שמ	_		24	457	ocal Authority Bonds
1 -	•	171	밹	131,	139	Discount Mirt Deps
1 333	775	מנונים ביי	154			ompany Deposits
133	135	133	134			Inance Mouse Deposits
1 -	~ '	347	13%	•	- {	ressury Sitis (Boy)1
-	120	235	137	~	! - I	tank 8/1/s (Buy)
	15)}	14	144	-	l - 1	Ine Trade BHE (Buy)
83	8.45	8.68	8.85	~	i	olter CDs
84	8.2	85	62	•	- (	DIS CRUSSED OFF OHER
8	8 is	27	27	-		UK LINKED DED BIO
91	7.3	74	7,4	- 7		CO Linked Sepuriter
i C	Strange to up day July 14. 14. 14. 14. 14. 14. 14. 14. 14. 14.	83, 81, 91, 91, this 13,5 per assury Bills; ance, Make 89, Scheme 89, Scheme	81, 91, 91, 92, t: three mon er cent; Tre Export Fin ber 25, 191, v.1 10 July	1315 per cen this 1314 p ata Sterling 1910 Septen	one-month in three mon CGD Fixed R	SOUR Linked Dep Offer SDR Linked Dep Offer Dep O

ND CAPITA		AKR		15						
LIFFE LONG ERLY FUTURES OFTENS 550,000 640a of 100%	LIFFE (	S TREASURY 9 64ths of 100	MONCO FUT	URES OPT	TORS	LIFFE BUND FUTURES OPTIONS DM250,000 points of 100%				
Suffice Calif-settlements Pats-settlements Price Sep Dec Sep Dec 193 3-51 4-69 0-01 0-19 94 2-52 3-20 0-02 0-30 95 1-65 2-35 0-05 0-45 95 1-60 1-58 0-14 1-04 97 0-25 1-27 0-39 1-37 98 0-08 0-62 1-22 2-08 9-0-02 0-42 1-22 2-08 Estimated whose total, Calis 1525 Pois 1817 Previous day's open int. Calis 15700 Pats 29749	Strike Price 92 94 96 98 100 102 104 Estimate Previous	3-04 1-13 0-13 1-0-62	Dec 1408 (1) 147 (1) 1-24 (1) 1-26 (1) 1-26 (2) Calls 341	-11 -11 -00 -63	Dec 1-14 1-29 1-53 1-30 1-32 1-56 1-32	Strike Price 9400 9450 9500 9500 9600 9700 Estimal Previou	Cally-se Sen 173 1.24 0.76 0.35 0.11 0.03 0.00 ced volume is significant to signi	Ulcranuta Dec 199 1 61 125 0.96 0.70 0.50 0.35 stal, Calls 19 M. Calls 136	Puts-settles Sep 0.03 0 0 01 0 0.03 0 0.12 0 0.38 0 0.80 1 1.27 1 058 Puts 115 24 Puts 1432	
LIFFE C/S OPTIMES C25,000 leagts per EII	LIFFE E	URODOLLAR O	PTIONS			LIFFE	SHORT STER	LINC OPTIO		
Striker Cattle-settlements. Puts-settlements Price Any Sen And Sen 145 13:50 13:50 0.003 0.003 15:5 8:50 8:50 0.00 0.26 15:5 3:50 4:00 0.07 1.26 16:0 0.00 0.36 6:57 7.62 16:5 0.00 0.36 6:57 7.62 17:0 0.00 0.01 11:50 12:32 17:0 0.00 0.01 11:50 12:32 Previous day's open int. Califs 0 Pots 2 Previous day's open int. Califs 10 Pots 2	Scribe Price 9100 9125 9150 9175 9200 9225 9250 Estimati	Calls actile Sep 0.55 0.32 0.15 0.05 0.03	1.60 (0 1.43 (0 1.20 (0 1.13 (0 1.13 (0	1.13 1.28 1.51 1.75 1.99 1.075 1.99	0.13 0.15 0.24 0.38 0.53 0.71	Strike Price 8575 8605 8625 8650 8675 8700 8725	Calls-se	Dec 1 27 1.07 0.87 0.52 0.39 0.27 stal. Calls 3	Prots-setzles Sep 0 04 0 0 07 0 0 17 0 0 32 0 0 54 0 0 74 0 0 100 0 150 Puts 890	
LONDON (LIFFE)	PHELAD	ELPHIA SE 6/5				TICHA	, (d) , (j) i	100 00013 25	,011100	
26-YEAR 9%, NOTEMAL COLY 550,000 32nd; of 100%		(cents per £1)		Calls				Pirts		
Close High Low P Sep 96-25 97-06 96-23 97 Dec 96-27 97-02 97-01 97 Estimated volume 14739 (21260) Previous day's open let. 30822 (30906)	1.65 1.67 1.70	2.01 0 0.23 5 0.01 0 -	\$9 3.35 2.05 1.26 0.31 0.11	1. 0.	0c1 88 57 76 10 65 34	0± 439 323 232 1.72 1.19 0.78	App 0 01 0 55 2 63 5 12 7 62 10 12 15 12	Sep 1 91 3 04 4 66 6 57 18 70 10 98	Oct. 2 77 4.09 3 69 7.53 9 55 7.53 9 55	
7-10 YEAR 9% NOTHINAL CILY ESO,000 Squit of 100%	Previous Previous	day's open int: day's volume:	0.05 Calls 419 Calls 29 3	418 Par	16 5 434,868 13,452 U	0.50 (All carred) all currections	rcles)	13.35	9.55	
Sep Dec Estimated volume 0 600	H. CHIC						ESE YEN U	un -	<del></del>	
Previous day's open let. 0 (0) US TREASURY BONDS 8%	<u>\$100,60</u>	9 32mds of 100 Catest	76	l ne	Prev.	Y12.5	S per Y100	Dest. Ha	h Low	
5100,000 32mk of 100%	Dec Mar Jun Seo	99-00 98-28 98-19 98-09 98-03 97-28 97-20	High 99-15 99-10 99-00 98-24 98-03 98-03 97-22	98-04 98-09 97-26 97-19 98-03 97-05 97-20	97-28 97-74 97-16 97-08 97-00 96-24 96-16 96-08 95-24 95-16		0 77 0 77 0,72 CHE MARK	0,718 00 00 00 00 00 00 00 00 00 00 00	5 0.7135 - 0.7200 -	
6% NOTERIAL CERSIAN SONT. BOND DE258,800 1600s of 168%	- Dec	_ :	:	:	95-24 95-16	Sep Dec Mar	055 055 055	169 Hig 204 0.522 223 0.524	0.5175 0.5175 0.5195 - 0.5225	
Sep 95.73 95.83 95.55 95 Dec 95.75 95.83 95.58 95 Mar 95.71 95.83 95.58 95	50 U.S. TR 52 SIm po	EASURY BILLS					-MONTH EU			
Estimated estate 20028 (15958) Prorious day's open inc. 41180 (41649)	Sep Dec Mar	92.49 92.99 93.20 93.21	High 92.57 93.16 93.38 93.25	92.44 92.93 93.18 93.15	92.41 92.89	Slan o	Hats of 100	K Ula	h Ine	
6% NUTRINAL LONG TERM JAPANESE EZYT. DOND Y190m 100th of 186%	Jen Sep	93.21 93.21	93.38 93.25	93.15	93.09 93.01 92.93	Sep Dec Mar	91	53 91 6 92 92 1	2 91.48 2 91.87 0 92.08	
Sep 106.25 106.30 106.18 106 Dec 105.89 106.24 105.75 106	74. 24 88					Jun Sep Dec Mar Jun	91 91 91	.09 92.2 .90 92.0 .66 91.7 .62 91.7	0 91 99 1 91.80 5 91.56 9 91.53 0 91.49	
Estimated rolume 445 (438) Previous day's open los. 1201 (1232)		FRANC (IMM)				STAND	ARO & PODE			
THREE MINETH STEELING 2500,000 points of 100% Close High Low Pi	- Sen	Latest 0.6037 0.6057	High 0.6057 0.6066	0.6002 0.6000	Prev. 0.6118 0.6143	Sep Dec	Lat 362	lest Hig 30 353 6 40 367 8 80 361.4	Low 0 352.20 3 356.40	
Sep 86.25 86.30 86.24 86 Dec 86.90 87.01 86.86 87 Mar 87.87 80.89 87.82 88 Jun 88.42 88.42 88.36 88	12	0.6075	0.6090	0.6050	0,6168	Mar	356 361 Perling Si		361.00	
		CONTRACT IN	PHANCE.				La	are Min		

FT GUIDE TO WORLD CURRENCIES **Every Tuesday** in the FT

1-mth. 3-mth. 6-mth. 12-mth. 1.5789 1.5458 1.5462 1.5167

### LONDON TRADED OPTIONS

Open interest is concentrated in this erea, with 7,177 contracts outstanding in the September 200 call series, increased from 5,749

confracts the previous day. Early in the day, news that the

US leveraged buyout group Kohl-barg Kravis Roberts are seeking epproval from US regulators to

taka a stake as large as 15 per cent in BTR occasioned e good

deal of activity in that stock. The

WITH THE underlying equity ket were towards the lower end of this week's turnover on the last day of the stock exchange account. A total of 32,603 options

2358.0 2345.0 2346.0 2363.0 2400.0 2488.0 2392.0 2397.0

Estimated volume 2626 C0700 Province day's open lot, 13659 O40191

Estimated values 4723 (2964) Provious Rey's open int. 19546 (19351)

were racorded, eplit between 21,780 calls end 10,823 puts. Continuing bid rumours sur-rounding Asda, the stores group, helped to propel that option to the forefront of trading activity. The near month out of the money calls ettracled the most attantion -with 1,216 lots traded in the Sep-tember 200 calls and 1,582 lots in the September 220 cells. The introduction of the 500 series on

underlying stock edvanced 36p or the dey, closing at 455p. A total of 2,151 optione changed hende, Monday will further anhance opportunities for out of the money

concentrated in the November 260 Meenwhile, the FT-SE Index was, as usual, the buslesl single option, where the November 2,350 puts saw 1,072 lots out of the 6,045 total, bringing open inlarest

CALLS PUTS

in that series to 1,193. Puts (4,279) outwaighed calls (1,766) by a con-siderable margin. In open Interest terms, the largest contract is the August 2,350 call series with 4,611 lols, up from 4,557 lots the previous day. Other eclive options stocks yes-

Latest High Low Prev 15890 1.5960 1.5770 1.6102 1.5690 1.5750 1.5565 1.5912 1.5500 1.5750 1.5500 1.572t

terday included BP, with a total of 2,107 lots, largely (2,052) calls. Here one major escurities house emerged as a heavy buyer of the October 280 calls, where 1,205 Irades wara effected. Dixons elso performad well, apparently in the wake of a strong "buy" recommendation from one

broking house. Total lurnover amounted to 1,488 lots, divided between 909 puls and 579 czl)s. Most of the puls (740) were in the Seplamber 130 series.

Section   Part	Option		ect	APP.		Oct	Jan	Apr	Option		Oct	CALL	S Apr	ect	PUTS	Apr	Option		Sep	Nov	Jan	Sep	Sign	Jan
Ent. Almost 280 231 2 35 2 4 5 7 17 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Alid Lyons (*537 )	500 550		_	_				Storeboase (*139.)	140 160	10			8			Abbey Nat. (*145 )				17 7½	17		
Prime					_				T-1-1-	-	76				•		ASDA &rp.				3 <u>1</u>		10	14
The Composition of the Compositi	(*298 )	200	234 104	17	25	9	цз	15	(*398 )	390	-	-		-	-	20	Ogtion			_				
Secretar Bates	Brit Com					-	_				_	21	-		20			220 240	15		_	1	11	_=
Section 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	F187 1	180	24	27 16	32	10	17	22	Otd Biscuits (*388 )	390	26	40	52	17		16 30			_			_		
Section   Sect	Smithit Bolon		57	77	-	8	14	-	Hollever				39		44	50		70 80	84		17	4½ 11	7 13	
Second   S		600		38		-	35	38		600	53	72		9		19	Barclays	500						24
Second   Proceedings   Process   P	(°296 )	260 280 300	22	50 34 22	60 45 72	6	41 <sub>2</sub> 8	10	Ultrama; (*329 )	300	39		57 41	5	22		Blue Circle		_	35	44	4	7	8
Septiminary	B.P.	280	24	30		342	_	10		360	8	20	25	40	42	44	British Gas	180	2812	36	3812	1	2	3
Pubmy   1909   190   1	(-30T.)	330	23	18	12		35	38	Spiller		Rov	Feb	May	Hav	Feb	May	(*208 )			181 <sub>2</sub>		2 k 15	•	
Control   1100   45   68   100   45   65   65   67363   369   309   49   12   12   20   1550   57   691   145   34   57   17   57   58   58   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   57   1550   57   691   145   34   34   37   1550   37   38   38   38   38   38   38   38	(75)		_	8	_	72	-		Brit. Aero (*704 )	700	83 50	77		33	42		Ohmons (*268.)			23 14	27 19		12 23	15 25
C 4 Wine Store Sto	(*1079)	1050		97	130	20	37	45	BAA	330		59	_	4	7	76								
Contractive		1100	45	68	100	45	65	65	(*363 )	360 390	30	38 23	49 34	12 31	18 34	20 37	(-1210)	1560 1550	32		145	60	\$2	67 90
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Condition   Section   Se	(*1482)	1450 1500	45	50	Ξ	6		Ξ		420	50 27	68	77 55	9		20	Lonriso	283			_		_	_
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CALLY   According to   According t			11	21	ž	26	29	31		280	512	9.2	15	27	27	29	(*338 )	357	_	Ξ		31	Ξ	7
Grand Ret. 600 33 76 90 16 23 28 60 25 40 45 47 THF 330 24 44 45 8 15 18 (**52*) 650 24 48 63 40 43 47 GET 220 17 24 31 12 12 13 14 15 16 11 12 13 14 15 16 11 12 13 14 15 16 16 17 19 28 44 18 18 12 12 12 12 12 12 12 12 12 12 12 12 12	(*409 )	390	26 11			9	14	18	Cathery Sch (*410 )	390 420	47 28	65 40	53	15 29	22 35	40		180	1612		28 18	312	7	8½ 18
CSZ   650   24	(*462.)	460			47	_	26	34	(517)	550	52	68	80	4 15 40	18 45		Sears (*129.)		6	18 11 6			3 71: قل	10 14
Color   1250   100   147   167   19   28   44			33 24	76 48						260	30	38	44	512	7	-	THE	330	24	34		8	15	18
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Separatrown	(*1336)	1300	67	112	134	38	44		Hasson	240				812	12	121,	Thom EM) (*\$29 )				••			28 50
Control   Cont				_	_	-							_			_			28		15		-	
Ring   Side	(*392.)		28		55	19	23	20 33										120	1		41.	1 <b>7</b>	17	18
Color   Colo		420	16	31	40	40	44	48														15 6	31 <sub>2</sub> 7	**2
Color   Colo	(*353 )	330	33 15	46 27	58	22						-	85		20	60						112		
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### WORLD STOCK MARKETS

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**AMERICA** 

### Dow surges to record level then falls away

**Wall Street** 

AN UNEXPECTED fall in US producer prices in July sent the equity market soaring to record levels early yesterday but then profit-taking set in, writes Janet Bush in New York.

Within half an hour of the pening, the Dow Jones Industrial Average was quoted more than 16 points higher at a record level of 2,729.51 - compared with the all-time closing high set on August 25, 1987, of

By 2 pm, however, the Dow came under quite heavy selling pressure and was quoted 2.65 points lower at 2,709.98. Volome was heavy with 139m shares changing hands by mid-

\* x . kg . ~

spite of very encouraging economic figures. The producer prices index fell 0.4 per cent in July and eased 0.2 per cent excluding the volatile food and energy components, suggesting a remarkable cooling in inflationary pressures since the first half of this year Forecasts had looked for a flat PPI last month or a slight rise. At the same time, US retail

The profit-taking came in .

sales rose 0.9 per cent and there was a substantial upward revision in June retail sales. Yesterday's figures suggest that the consumer remains robust but that inflation is relatively subdued, the happiest combination that markets could hope for.

It was noted by some economists, bowever, that the larger-than expected increase in retail sales was attributed in part to strong car sales in July. They rebounded after two months of weakness because of aggressive incentive programmes. Some economists said yesterday that the retail sales figures were not that strong.
The US Treasury bond mar-

ket rose by a full point in reac-. tion to the PPI figures but then fell back just as sharply. By midsession, bond prices were quoted as much as % point Meanwhile, the dollar surged

on foreign exchanges partly in reaction to overnight news that Japan's bilateral trade

surplus with the US had dropped sharply and partly on belief that the retail sales fig-ure snggested considerable robustness In the US economy which would keep monetary policy on hold for the time heing. Part of the dollar's strength was attributed to demand for dollar-denominated securities on the strength of

the US economy.

The move early last week into cyclical and technology stocks from consumer non-cy-clicals, which have led the market bigher this year and significantly outperformed the Standard & Poor's 500 index, came to a halt yesterday. International Business Machines dropped \$1% to

confidence in a soft landing for

\$115%, Motorola fell \$% to \$60% and Compaq Computer lost \$1% to \$95%. Consumer stocks recovered

yesterday after profit-taking early in the week. Philip Mor-ris rose \$% to \$163% and Proc-ter & Gamble gained \$2% to \$126, continuing the stock's rally on Thursday. Some analysts noted that Philip Morris was benefiting from rumours that the company may he about to announce a stock buy-back programme.

#### Canada

INDUSTRIAL stocks pushed ahead while gold issues mainly retreated in hectic midday trade in Toronto. The compos

### Speculation spreads to more French stocks

yesterday, with Paris making a robust advance and Frankfurt continuing to consolidate,

writes Our Markets Staff.
PARIS closed for a four-day
weekend with a healthy gain,
as Wall Street's powerful performance on Thursday and a spate of speculative stories

kept activity going.
The OMF 50 index rose 2.05 to 512.60 from Thursday's close of 510.55, though it ended below its day's high.

Its gain on the week was only 0.5 per cent, with the broad market having failed to respond significantly to the excitement in the insurance sector which followed the Suez bid for Compagnie Industrielle and Victoire. The CAC 40 index rose 9.85 yesterday to 1,828.31

Overall volume was estimated at just under FFr2bn. The frenzy of activity died down a little in the insurance sector, although Snez itself rose FFr12 to FFr379 and Pecbelbronn, a holding com-pany with an insurance subsidiary, PFA, jumped FFr60 to

Elsewhere, cheese producer romageries Bel surged FFr124 to FFr2,300 on talk of a take-over, friendly bid or restructur-

ing. Plastics maker Sommer-Allibert was up FFr142 at FFr2.820 after a bullish article about the company's low price earnings ratio and profits outlook. Val-lourec, the steel pipe maker, climbed FFr29 to FFr420, with suggestions of a battle for con-trol between two large share-holders, Tubacex of Spain and

Dunez-GTM in France.

Among blue chips, Thomson
CSF gained FFr2.70 to FFr201
in high turnover. It has been
weak recently following a sell
recommendation from a leading broker and concern over profits forecasts. But some investors expect its financial operations to benefit from fall-

ing interest rates.
FRANKFURT followed Thursday's pattern, opening firmly only to fall back on profit-taking. One analyst said it was a typical Friday, with shares closing mixed amid an absence of news, although vol-ume was still reasonable.

The DAX index eased 1.33 to 1.609.93 and the FAZ index slipped 1.18 to 663.04, for a gain over the week of 1.5 per cent.

Turnover was fairly active at DM5.7bn, in spite of wariness before and after the US producer price figures.

again the best performers. Hoechst gained DM3.20 to DM309.70. Its US arm, Hoechst Celanese, reported lower net profits in the second quarter, in line with the slowdown in

the US. In the retail sector, Asko and Massa rose on speculation that one of them was in talks about a share swap with Dntch retailer Ahold. Asko gained DM12 to DM895 and Massa rose DM12.90 to DM362.

AMSTERDAM was boosted to fresh highs by the firmer dollar, helpful news on US producer price inflation, and second quarter earnings from Unilever that were at the top end of expectations.

The CBS all-share index rose 2 to a peak of 206.0, np 1.1 per cent this week, and the tendency index added 1.4 to 197.8, just 0.1 below its Angust 9 high. The last hour of trading was especially busy. Unilever climbed Fl 3.30 to Fl 155.90, while Royal Dutch picked up Fl 2 to Fl 147.70,

largely thanks to the strong Retailer Ahold rose F12 to FI 139.70 for a two-day gain of 3.4 per-cent, triggered by talk

of a share swap with Asko or

ZURICH advanced in fairly high volume, although there were few features. The Crédit Suisse index gained 5.2 to 671.2 - a sturdy 3.7 per cent rise on

Brown Boyeri, the engineering company, picked up SFr145 to SFr4,820. It attracted foreign interest after this week's results from Asea Brown Boveri, the jointly owned company which amounced plans to take over the CCC group, a leading Spanish electrical concern.

MADRID ended little changed after a difficult session marked by worries that the July inflation figures would be bad. In addition, trading in three shares - Repsol, Telefonica and Dragados -had to be halted when dealers were unable to strike a price. Brokers said this was a result of the trading reforms, which had increased the number of traders, some of whom were

uncertain of the new rules. Banks and ntilities were strong, with Endesa up 6.5 percentage points at 301.5 per cent of par. Oil group Repsol rose 22 to 501, but constructions weakened. The general index eased 0.03 to 311.75 but was up 1 per cent on the week.

#### CCC by Asea Brown Boveri.

PROFIT-TAKING and e thin pre-weekend market dragged prices down in Johannesburg

MILAN closed little changed in active turnover, inflated by the expiry of options. The Comit index inched 0.24 higher to 702.77 for a rise on the week

of 0.8 per cent.

BRUSSELS was pushed to its third all-time high this week, before holidays on Monday and Tuesday. The cash market index edged up 7.39 to 6,325.43, a gain of 1.6 per cent since last

OSLO ended an uninspiring week mixed, with investors becoming increasingly cautious before next month's elections. The all-share index fell

0.69 to 497.73. HELSINKI edged np. with interest focused on Wartsila. the industrial group. Its shares soared after the news that it was relinquishing control of its Wärtsilä Marine shipbuilding subsidiary. Its series II fre shares were the most traded free shares. They closed up FM46, or 6 per cent, at FM318. STOCKHOLM saw its gains

of recent days tempered by profit-taking. The Affarsvårlden general index eased 0.8 to 1,349.4. Asea free B shares advanced SKr5 to SKr670 after news of planned takeover of Spain's

#### **SOUTH AFRICA**

after a very firm week.

### Australian bear claws its way to post-crash peaks

Chris Sherwell on the climb to a new trading range

FTER 10 long months, Australia's stock market hear has finally awoken from its curious hibernation. Instead of meandering uncertainly nowhere, it has suddenly perked up and pranced purposefully to a postcrasb peak.

In just six weeks, the widely-watched All Ordinaries index has climbed almost 200 points, from 1,501 at the beginning of July to a close yester-day of 1,695. At the same time trading volumes have expan-

ded markedly.

"Exciting – but perverse," is how Mr Ian Wenham, head of research at BZW, describes it.

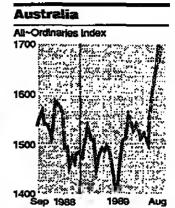
"It's a paradox," says Mr Patrick O'Leary, chief strategist at ANZ McCaughan Dyson. "The economy sucks at the moment, but the market is rallying." hut the market is rallying."

Explaining what bas bap-pened is easier than predicting what will occur next. In those 10 months between September and July, the market moved more like a crab than a bear, with the index tracking sideways over a 150-point range between 1,410 and 1,560, except for a flurry higher in May.

be principal reason was the Government's relentless lifting of interest rates to curb surging domestic demand and a renewed explosion in the current account deficit. As cash and bonds became more attractive and concerns arose about a recession, equity valuations fell. With other markets con-tinuing to push ahead, Australia began to underperform

them by up to 25 per cent, A turning point came because the trend inevitably underscored the growing cheapness of Australian stocks, International investment institutions eventually found the gap impossible to ignore, and by May were leading the way back. They were followed by their domestic counterparts, which had been deliberately underweight in equities.

Additional stimulation came from a revival of takeover activity. Mr Kerry Packer bid A\$750m (US\$577m) for Austra-lian National Industries, textile magnate Mr Abe Goldberg was involved in a A\$400m takeover of Brick & Pipe Industries and



A\$970m quest for Industrial Equity Ltd. and Ranks Hovis MecDougell launched en unsuccessful assault on food giant Goodman Fielder Wattie. Initially, bowever, the recov-

ery looked like a false dawn. The All Ordinaries index reached 1,583 on May 23, then slipped back to 1,501 at the beginning of July. Clouds were cast by the troubles of companies like Bond Corporation, Cbase and Hooker. But two key perceptions emerged to encourage a resumption of the upward trend.

One was that domestic interest rates bad at last peaked, removing an impediment which dwarfed any worries about a slowdown in corporate earnings growtb. The other was that commodity prices, a key element of Australia's economic performance, were likely to hold up because the world economic outlook seemed less gloomy.

Analysts now agree that the surge in share prices to a postcrasb high since July bas taken the market out of the old range once and for all. But they also point out that it is selected buying, mainly of liq-uid blue chip stocks, which is driving the market.

Thus, while the All Ordinaries Index has now risen close to 1,700, the index of the 20 leading stocks has climbed far more sharply, from around 780 a month ago to 855 currently.

Leading the wsy is Broken Hill Proprietary (BHP), Austra-lia's largest company, which recently reported the country's first A\$1bn net profit. Elders

IXL, the brewing-based conglomerate which is the second largest group, bas seen its shares rise because of the special circumstances of a share offer, while BTR Nylex, the third largest, reported strong interim earnings this week. In another qualification, Mr John Paterson, chief of research at brokers J.B. Were, points ont that the recent surge only means Australia is now keeping pace with its counterparts ahroad. The All Ordinaries Index is still more than 25 per cent below its pre-crasb high of 2,305, while other markets have recouped most of their post-crash losses.

ooking ahead, analysts believe that the principal guide to performance in the short term will be Wall Street, from which the Australian market tekes its principal cue. But another immediate focus of attention is

next Tuesday's annual budget.

The Budget is the time to re-focus on the fundamentals of the economy, where there are still some questions to be answered," says Mr Merv Peacock, senior portfolio manager et the AMP Society, Australia's largest institutional investor. The most closely-watched

"fundamental" is the balance of payments. For all the echievements of Mr Paul Keating, the federal Treasurer, in securing fiscal surpluses, the curreot account deficit remains unsustainably high at A\$17.7bn in 1988-89, and its net external debt of US\$80bn is too heavy a burden for the country to shoulder.

The prospect of a turnround on these issues will obviously be regarded as a plns for the market. So will the promise of an interest rate-driven weakening in the local currency (which would belp resource stocks), and e "soft landing" for the economy at bome and

But these remain hopes rather than certainties. Technical analysts put the next resis-tance level for the All Ordi-naries index at around 1,800, and some expect this to be tested before the end of the year. No one contends that the Australian bear is undergoing a long-awaited metamorphosis into e bull.

## Profit-taking erodes early gains

THE UPSURGE on Wall Street on Thursday night gave some cheer to the Tokyo market but investors were mostly dismidsummer holidays and share prices weakened in listless trading, writes Michayo Naka-

moto in Tokyo.

Encouraged by the gains in New York, shares climbed in early trading, only to run into profit-taking by midday. After moving from a high of 34,831.70 to a low of 34,624.51, the Nikkei average closed down just 6.84 at 31,712.96, almost unchanged on the week.

Losses outnumbered gains by 534 to 368 while 198 issues were unchanged. Turnover slipped to about 500m shares from the 673m traded on Thursday. The broadly-based Topix index lost 1.93 to 2,638.20. In London, the ISE/Nikkel 50 index rose 1.43 to 2,111.42.

Once again the desire to take profits was the guiding principle in Tokyo yesterday. This was particularly so as investors prefer to unwind their positions before the holiday during the control of the c season. The Obon holiday, dur-ing which Japan will pay its respects to the dead, has already started for many peo-

from a few strong earnings estimates. Analysis continued to bemoan the lack of market-leading themes. The new Cabinet under Japan's new Prime Minister, Mr Toshiki Kaifu, has not been much of an inspiraoffered any new themes of sub-stance to stir the market out of its summer drowsiness.

The drive to take profits kept interest centred on high-priced issues susceptible to quick movements, such as technol-ogy issues, which were also chosen for their good business

News reports that Toshiba, the all-round electrical machinery maker, was expected to boost pre-tax profits by 34 per cent to a record Y2hm for the current business year stimnlated interest in the sector.

High-technology issues domi-nated the volumes list. Toshiba closed up Y20 at Y1,390 in the day's third most active trading of 16.8m shares. Sony continned to attract attention and advanced Y160 to Y8,840 in active trading; its biggest mag-net is its rapid price movements, said one market partici-

Hitachi also added Y30 to Y1,700. It was the most actively traded issue with 30.5m shares. Fuji Film, another high-tech-nology stock with a healthy earnings outlook and a lofty At the same time there wer no clear market incentives to trigger buying interest apart share price, gained Y140 to Y4,730 in the second most

Daikyo, the largest condominium maker in Japan, posted a strong gain of Y250 to

Y4.440 in active trading. It has a low price earnings ratio and was recommended by a leading send issues shooting up; it is also thought possible it will make a scrip issue.

Profit-taking undermined the
Osaka market and the OSE
average fell 12.95 to 34,840.56.

Volume dropped to 69.9m shares from the 82.9m traded on Thursday. Nissin Foods, a strong riser on Thursday, lost Y120 to Y4,000.

Roundup

THE week ended on a mixed note in Asia Pacific markets, with Australia and Malaysia with Australia and Malaysia strong, and Taiwan weak. AUSTRALIA rose sharply in late trading, with blue chip resource stocks leading the way and industrials making up ground after losses earlier in the week.

The All Ordinaries index closed 13.7 higher at 1,695.0 a rise of 1.4 per cent this week - in moderate turnover of 125m shares worth A\$235m. BHP climbed 16 cents to A\$9.96 and Western Mining gained 10

cents to A\$6.18.

Among industrials, BTR
Nylex added 20 cents to A\$5.96,
with late news of the attempt by KKR of the US to buy np to

15 per cent of its UK parent,

HONG KONG traded narrowly to end only slightly higher, with the Hang Seng index up 471 at 2,513.39, a gain part of the Li Kashing group, was actively traded, gaining 25 cents to HK\$3.35 amid speculation that the company would be taken private at HK\$4.40 to HK\$4.60 a charge.

HK\$4.60 a share. SINGAPORE eased from its post-crash highs, with the Straits Times industrial index off 2.46 at 1.377.40 - a rise of 2 per cent this week. Turnover

was an active 107m shares, though down from 113m on Thursday.

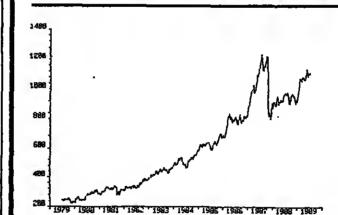
Far East Shipbuilding, which plans a bond-cum-warrant issue, rose 12 cents to \$\$3.62. KUALA LUMPUR stocks reached a post-crash high, driven by positive corporate results and speculative activ-ity. The KLSE composite index rose 4.27 to 472.48 and share

turnover climbed to a record TAIWAN fell heavily for a TAIWAN fell heavily for a third day as jitters pulled the weighted index further down from the 10,000 level breached on Tuesday. It fell \$88.28, or 8.6 per cent, to 9,145.46.

SEOUL fell back a little, but newly-listed Kepco, the stateowned utility, again rose by the maximum Won1,000 to \$\text{W24} 000.

W24,000.

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NATIONAL AND REGIONAL MARKETS		וואנו	SDAY AU	3UST 10 19	<del>**</del>		WEDRESI	AY AUGUS	9 1969	DOI	LAR INDE	<u> </u>
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Starling Index	Local Currency Index	Day's change % local currency	Gross Dív. Yleid	US Dollar Index	Pound Sterling Index	Local Currency index	1989 High	1989 Low	Year ago (approx
Australia (85)	147,91	-1.2	134.78	128.53	-0.9	4.73	149.78	137.33	129.70	157.12	128.28	147.27
Austria (19)	139.65	+0.9	127.26	137.15	+0.2	1.77	138.42	126.91	136.89	139.65 137.97	92.84 125.58	84.89 109.81
Belgium (63)	136.74	+0.6	124.60	133.70	-0.1	4.14	135.98	124.68	133.80		124.57	119.03
Canada (124)	153.59	+0.2	139.96	130.40	+0.4	3.07	153.21	140.47	129.91	153.59	165.35	
Denmark (36)	199.02	-22	181,36	198.69	-28	1.58	203.54 138.63	186.62 127.10	204.37 124.69	219,89 159,16	125.81	120.81 125.65
inland (26)	139.25	+0.4	128.89	124.49	-0.2	2.19	129.97	119.17	130.94	133,44	112.57	89.06
rance (126)	130.32	+0.3	118.76	190.73	-0.2	2.89	98.82	90.61	97.64	100.53	79.56	72.94
Nest Germany (100)	99.92	+1.1	91.05	98.26	+0.6	2.08		100.99	110.37	140.33	86.41	105.59
Hong Kong (48)	109.23	-0.8	99.53	109.45	-0.8	4.94	110.14 166.09	152.28	166.51	168.69	125.00	129.86
reland (17)	166.6B	+0.4	151.89	166.51	+0.0	2.52	95.04	87.14	96.89	95.04	74.97	70.01
taly (97)	95.01	+0,0	86.58	96.61	-0.3	232	191.23	175.33	188.26	200.11	164,22	163.25
Japan (455)	190.96	-0.1	174.03	167.92	-0.2	0.47	189.78	174.00	185.22	191.83	143.35	150.07
Malaysis (36)	191.83	+1.1	174.80	195.93	+0.9	2.44		245.25	741.52	277.40	153.32	148.30
Mexico (13)	267.87	+0.1	244.09	743.31	+0.2	0.68	267.49	245.25 119.31	127.25	130.87	110.63	101.80
letherland (43)	129.54	-0.5	118.05	126.03	- 1.0	4.11	130.13		71.69	81.13	62.64	80.01
lew Zeafand (20)	79.75	-1.3	72.68	70.94	- 1.0	4.86	80.83	74.11		198.39	139.92	116.64
Vorway (24)	179.26	+1.7	163.35	168.56	+1.2	1.53	178.30	161.64	168.49			130.04
Singapore (26)	170.26	+ 1.1	155.15	152.96	+ 1.1	1.85	168.34	154.35	151.28	170.26	124.57 115.35	110.72
South Africa (60)	154.31	+0.5	140.61	139.38	+0.3	3.91	153.50	140.74	138.94	154.31	148.14	145.84
Spain (43)	158.06	+0.5	144.03	141.77	+0.1	3.63	157.25	144.18	141.70 178.23	158.06 188.94	138.45	112.10
Sweden (35)	166.94	+ 1.5	172.17	180.20	+1.1	1.93	186,08	170.62			67.81	76.32
witzerland (64)	93.63	-0.6	85.32	94.65	_0. <u>9</u>	1.99	94.16	86.34	95.48	94.16		130.60
Jailed Kingdom (310)	157.48	+ 0.1	143.46	143.46	-0.5	4.06	157.24	144.17	144.17	158,41	133.28	
JSA (561)	141.72	+0.4	129.14	141.72	+0.4	3.21	141.16	129,45	141.10	142,07	112.13	107.22
urope (1003)	131.65	+0.2	119.96	125.01	-0.3	3_28	131.33	120.42	125.38	132.62	112.63	103.05
Vordic (121)	171.52	+0.1	156.30	159.71	-0.4	1.78	171.33	157.09	160.32	178.38	137.95	108.68
Pacific Basin (670)	186,29	-0.2	169.76	164.21	-0.2	0.69	· 186.61	171.10	164.58	194,72	160.44	160.38
uro – Pacific (1673)	184.54	+0.0	149.93	146.46	-0,2	1.54	164.60	150.92	148.82	186.98	141.56	137.44
	142.33	+0.4	129.69	141.02	+0.4	3.20	141.60	130.01	140.49	142.64	112.79	107_84
lorth America (675)	115.32	+0.3	105.09	113,62	-0.1	2.69	114.95	105.39	113.75	116.28	96.30	85.89
Europe Ex. UK (693)	130.10	-0.8	118.55	117.78	-0.7	4,49	131.24	120.33	118.58	137.65	111.93	125.55
Pacific Ex. Japan (215)	184.12	+0.0	149.55 .	147.99	-02	1.61	164.16	150.51	148.31	168.35	141.49	136.55
Vorid Ex. US (1870)	154.81	+0.1	141.07	146.07	+0.0	1.93	154.64	141.79	146.03	155,66	136.98	124.67
Vorid Ex. UK (2111)	155.03	+0.1	141.27	145.85	+0.0	2.11	154.67	142.00	145.89	155.92	136.67	125.27
Vorld Ex. So, At. (2361).		+0.3	125,82	134.62	+0.1	3.29	137.69	126.25	134.48	138.23	114.51	106.83
Norld Ex. Japan (1965)	138.07						154,86	141.99	145.84	155.89	136.68	125.16
he World Index (2421)	155.03	+0.1	141.27	145.80	+0.0	2.13				100,03	100.00	
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Cardos-Nightolia & Coombe PLCSM's Unit Cardos-Nightolia & Coombe PLCSM's Unit Commerce Medical States PLC 8AM899 SM 1st May Deb Std 86/91 - 2349 SM 1st May Deb Std 86/92 - 2349 SM 1st May Deb Std 86/92 - 2349 Detas Estates PLC7.75% Cnr Cupt Pad Prt 21 - 105 Great Purdend Estates PLC8.5% Let May Deb Std 2015 - 257149 Deb Std 2015 - 257149 Cupt Card PLC 95/94 Cum Red Prt 2014 21 - 104 % (8AM89) Cubdraft Property Co PLCSM's 1st May Deb Std 96/2003 - 256 (7AM89) Inty Merchant Developers PLCS.125% Cum Card Securities PLC9/94 1st May Deb Std 98/2003 - 236 (7AM89) Inty Merchant Developers PLCS.125% Cum Card Securities PLC9% 1st May Deb Std 98/2003 - 236 (7AM89) Land Securities PLC9% 1st May Deb Std 98/2003 - 236 (7AM89) Land Securities PLC9% 1st May Deb Std 98/25 - 284 %

Land Securities PLC6% 1st Mig Deb Six 8053 - 284 W 7K% 1st Mig Deb Six 91/96 - 284

### LONDON STOCK EXCHANGE: Dealings

Details of business done shown below heve been taken with consent from last Thursdey's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share

those at which the business was done in the 24 hours up to 5 pm on Thursday and sattled through the Stock Exchange Talismen system, they are not in order of execution but in escending order which denotes

day'e Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) and Third Market stocks are not regulated by the international Stock Exchange of the United Kingdom and the Republic

‡ Sargains at special prices. P Bergelns done the previous day.

Corporation and County Stocks No. of bargains included 9 Greater London Counci6\*% Stk 90/92 -£88 \*> 9% Liverpool Corp3\* Red Stk 1942(or after) - £26 (9Au89) - £25 (9Au89) underland Corp (River West Comm)3% Funded Debt Anne - £32 (8Au89) UK Public Boards

Agricultural Mongage Corp PLC4%% Deb Sit 61/91 - 285% (9Au89) 6%% Deb Sit 9294 - 2804 6%% Ceb Sit, 85/90 - 592% (9Au89) 74% Deb &lk 91/93 - £85% 104% Deb Six 92/95 - £93% (9Au89) Port of London Authority 3th Port of London A Six 29/99 - £59%

Foreign Stocks, Bonds. etc-(coupons payable in LONGON) No. of bargains included 11 Spain(Govt of) 4% (Sealed Bds) ~ £42 (7Au89)

(7Au83) Abbey National Building Society 10 %% Bots 1993 – 295 ½ 105 % Bots 1998 (Br25000850000) – E97 ½ (SAu89) 9 %% Nts 1993 – \$101 % (SAu89) Amsterdam Barrik NV 10 %% 97% Nts 153 - 3107 / 604069)
Amsterdam-Roterdam Barik NV 10%%
Nts 1991 - \$55% (84089)
Anglo Group PLC 95% Cnv Bds 1999
(Reg) - \$163 75 (84089)
ASDA Group PLC 45% Cnv Bds
2002(Br\$10003£5000) - \$116% (84089) Associated Newspapers Holdings PLC 9%% Gtd Exch Sds 2003 - £177 (8Au89)

(p.:10008500) - (108 % (44.69) Cummerzbank Overseas Finance NV 197 Nts 1993 – 294% % (8Au69) Consolidated Gold Fields PLC 64% Criv

ETSU\* (SAMB9)
Costain Finance NV7.5% GrdRed CrivPri
2003 ETiCerts to Br) = 99% (SAMB9)
DRG PLC6%% Subord Criv Bds 2002 = 295 (8Au89)
eneral Motora Acc Corp(UK)Pin PLC9%
Nts 10/692 - 292 ½ (8Au89)
10 ½ Nts 2/3/92 - 296 ½ (8Au89)
10 ½ Nts 2/3/92 - 296 ½ (8Au89)
rand Metropolitan PLC6½ Subord Cnv
Bds 2002 (8x25000) - 2/102 ½ (8Au89)
stitus Building Society 10 ½ ¼ Nts 1997 -

296**0** Fitg Rate Ln Nts 1992(Br25000) -£100.19 alsdown Hidgs PLC4%% Cnv Bds 2002 - 298

Hydro-Quebec 11%DesSerriCs/2/9(8r&C1000,100008, 100000) - \$C105½ (8Au89) Iovestora in Industry Int'l BV 10% Gtd Nts. 1993(8r£5000) - £94% Leibnoke Group PLC54% Subord Cnv Bds 2004(8r£1000&5000) - £105 roau89) (SAU69)
Licyds Bank PLC111% Subord Serial Nts
1996(8)rC10000) - 297% (AAU89)
Lucas Industries Inc55% Crv Bds 2002 511754 %49

5117% % % % Morgan Guaranty Tst Co of New York 12% Deposit Nts 1992 – £100 (Anu89) National & Provincial Bidg Society 10% Nts 1993 (Br£5000&10000) – £94.9 Neste Oy9% & Bds 1999(Br\$5000&10000) – 5101% (4Au89) Next PLC0%% Cnv Bds 2003 – £100% (Anu89)

(4Au89) 5%% Crw Bds 2002 - £107% % (4Au89) orsk Hydro AS 10% Nto 1992 - £95% (8Au89) 12"1% Bds 1992 = \$31% 12% Bod 1992 = 537 Nav Co4%
Pennsular & Criential Steam Nav Co4%
Criv Bod 2002 = £105 (9Au69)
Prudential Reality Sec 111 Inc 12% Gid
Skg Fd Bod 15/1/95 = \$108 9
Selnsbury(J) PLC 10% Nb 1993
(Br£5000) = £98% (8Au69)
Salnsbury (J) (Capita) Ld 5% Criv Cap Bos
2004 (Br£5) = £113/4
Seera PLC 10% & Bot 1993 = £96%
(PAU69)

(9Au89) Slough Estates PLC6% Cnv Bds 2003 -£113**4** 

Solugi Espains Pecul in divide 2000 – £113\(\Phi\)
Smith & Neiphew Associated Cos PLC4\(\psi\)
Che 8ds 2002 – £103\(\psi\) (84.89)
Sweden(thingdom of)94\(\psi\) 8ds 1996
(8F\$500) – £693\(\psi\) 90\(\psi\) (84.89)
Tesco PLC4\(\psi\) Che Bds
2002(8r\(\psi\) 100.85000) – £116
5\(\psi\) 50 Red Che Pri 2004 (8r\(\psi\) 5000) ~
£116\(\psi\) (74.89)
Trusthouse Forte PLC 104\(\psi\) Nis
1992(without Warrants) – £86\(\psi\) (84.89)
Wates City of London Properties PLC Red
Warrants to sub for Ord ~ £148\(\Phi\)
Warrants to sub for Ord ~ £148\(\psi\)
Warrants to sub for 92\(\psi\) 8ds 1996 –
£148 (84.89)

£148 (9Au89) Voolmich Equitable Building Society 94% Nto 1992 (Br£5000) — £92% (8Au89) Sterling Issues by Overseas Borrowers

AustralistCommonwealth of)99/% Ln Stk 2012/Rag) = 593/% 114/% Ln Stk 2015(Reg) = 1108 % Bank of Greece 101/7% Ln Stk 2010(Reg) = 294 % (SAu99) Carsec Centrate De Cooperation Econ 121/1% Gtd Ln Stk 2013(Reg) = 1191/40 Carses Nationale Des Autoroutes 16% Gtd

Caisse Nationale Des Autoropies 16% Gid Ln 5tk 2006 - £143% (4Au89) Credit Foncier De France 10%%GrdSerLnStk2011.12,13,14(Reg) - £102 % % 14%% Gid Ln Stk 2007(Reg) - £135% Denmark(Kingdom of) 13% Ln Stk 2005 -

ienmark(Kingdom or) 13 % Ein Stk 113% Sectricite de France 12%% Gtd Lin Stk 2008(Reg) – £110% (8Au89) 11%\* Gtd Ser Lin 5th 2008/12(Reg) – £114% 5 % 55 5% Suropoun investment Bank9% Lin Stk 2001 (Reg) - £92 % 9%% Ln Six 2009 - £97,225 % ,275 %

":
10%% Ln Stk 2004(Reg) - £100% %
(7Au89)
11% Ln Stk 2002(Reg) - £105% % %
([8Au89)
Finland(Republic of)11% Ln Stk
2009(Reg) - £111% %
Hydro-Queboc 12.75% Ln Stk 2015 £120% (Refurl) 2120% (9Au89) 15% Ln Skt 2011 – £135%, % (9Au89) Inco Ld 15%% Uns Ln Sik 2005 0 Rep Opt - £129 (8Au89)

- £128 (84689) nter-Amorican Development Bank 6%% Ln Str 2015 - 597% % % % % nternational Bank for Rec & Dev9%% Ln 98 2010(Reg) - E97 11.5% Ln Stk 2003 - E108 (7Au89) retand 12.7% Ln Stk 2008(Reg) - £115% (7Au89) New Zeoland 11'-% Stk 2008(Reg) -£107% %

11/2~ 5% 2014(Reg) - £110% ova Scotta(Province of)11%% Ln S& 2019 - £110'-@ 2019 - £11014**©** 18%\*\* Ln Stk 2011 - £149% % % % etroleos Mexicanos 14%\*, Ln Stk 2006 Petroleco Mexicanos 144% Ln St. 2006 ~ 195% (9Au89) Portugal(Pap of) 9% Ln 5 tk 2016(Rag) — 196% % % Province de Quebec 124% Ln Stk 2020 — 2115 k (9Au89)

도116 % (SAUS9) Spain|Kingdom of) 11 %% Ln Stk 2010(Reg - 도111% % Sweden|Kingdom of) 9 %% Ln Stk 2014(Reg) - 도95% (SAUS9) 13.5% Ln Stk 2010(Reg( - 도127% % (8Au89) United Mexican States 16%% Ln Stk 2008(Reg) — £117

Banks and Discount Companies

No. of bargains included 2099 Ansbacher(Herry)Hidgs PLC9% Criv Subord Ln Str 1996 - £75 (9Au88) Bardays PLC ADR (4:1) - \$33% (9Au89) Bardays Bank PLC71/% Une Cap Ln Stk 86/91 - £92 6 % Uns Cap Ln Stk 95/93 - £90% 1

12% Una Cap Ln Sik 2010 – £1684 94 ሄ % 16% Una Cap Ln Stk 2002/07 – £132% Barnigs PLC8% Cum 2nd Pri £1 - 86% (9Au89)
GPG PLC4.2% Cum Pri £1 – 55
Lombard North Central PLC5% Cum 2nd Pri £1 – 48 (9Au89)
Midand Sank PLC7%% Subord Una Lri Sik 83/93 – £87%
104% Subord Uns Lri Sik 93/86 – £100%

Information Services.
Unless otherwise indicated prices ere in pence. The prices are

day's highest and lowest dealings.
For those securities in which no business was recorded in Thurs-

14% Subord Une Ln 5th 2002/07 -E119% Mitsubishi Trusi 8 Banking Corp Com Stk Y50 - Y3255.39 (8Au88) National Westmaster Bank PLC7% Cum Pri E1 - 89 9% Subord Una Ln Stk 1983 - E92% 3 % 3

12%% Subord Uns Ln Stk 2004 -£111% % % oyal Bank of Scotland Group PLC Warranto to sub for Ord - 75 (8Au89) Schroders PLC9%% Uns Ln Stk 87/2002 - 584 (8Au89) TSO Group PLC 10%% Subord Ln Stk 2008 - 597% % % % 8% zuns - 137% 등 약 등 등 8% TSB Hill Samuel Bank Holding Co PLC8% Uns Ln Stk 8874 - 1265% 7 % 중 Warburg IS G.) Group PLCCnv Dtd 25p -150 2 (4A89) 7 % Cum PH 오마 - 86

Wells Fargo & Company She of Com Stik \$5 - \$81.184 Breweries and Distilleries Albed-Lyons PLC5%% Cum Pri £1 - 53 4

| Ibad-Lyons | PLUS 7/76 | Comp. | T | (9Au89) | 7/4" | Cum | Pri | T | 74 | (9Au89) | 7/4" | Food Deb Six 89/93 | 297/9 | 11/4" | Deb Six 89/93 | 297/9 | 11/4" | Deb Six 80/93 | 21/2" | (9Au89) | 21/2" | (9Au89) | 21/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 25/2" | 11%% Deb Sk 2009 - £112% (BAU89)
5 % Lins Ln Sik 93/98 - £83%
Bass PLC4% Cum Pri £1 - 33% (4Au89)
7% Cum Pri £1 - 72®
33% Deb Sk 87/92 - £80 1 %
9 % Deb Sik 87/92 - £80 2 3
104% Deb Sik 27/92 - £102 7
104% Deb Sik 27/92 - £102 5
104% Deb Sik 27/92 - £102 5
104% Deb Sik 2016 - £102 7
1% Lins Ln Sik 92/97 - £94% 5
Bass Investmanta PLC6% Lins Ln Sik

8590 - \$92% 3 7%% Uns Ln 6th 92/97 - \$84% (9Au89) oddington Group PLC0%% Cnv Uns Ln Stk 2000/05 - \$181**\$** uimer(H.F.)Hidgs PLC9%% Cum Pri £1 -Sit 200005 - C181%
Sidmer[H-]Hidgs PLC9%% Cum Pri £1
100 [8Au88]
81% 274 Cum Pri £1 - 90
Greenal Whidey PLC"A\* Ord 5p - 275
(8Au89)
6% Cum Pri £1 - 95 100
71% Deb Sit 67/92 - 289%
10% Oeb Sit 2014 - 298%
7% Irrd Uns Ln Sit - 250 (8Au89)
94% Irrd Uns Ln Sit - 250 (8Au89)
94% Irrd Uns Ln Sit - 250 (8Au89)
94% Irrd Uns Ln Sit - 270
Guinness PLCADR (5:1) - \$47.63.7

(9Au89) Hardys & Hansons PLCOrd 25p - 950 (9Au89) (9Au89)
International Olstiflers & Vinthers Ld 4%%
Dels Six 2002/07 – 252% (7Au89)
91% Unis Lin Six 87/92 – 292 % Ф
Macallan-Gleritiver PLC 01% Criv Unis Lin
Six 2005 – 2745 (7Au89)
Maristrield Brewery PLC Ord 21 – 505
Maristrield Brewery PLC 4.6%
Cum Pri 21 – 72 (7Au89)
7.4 Criv Cum Pri 21 – 98 (9Au89)
7% Criv Cum Pri 21 – 178 80
7.1 % 1st Mtg Ord Stx 65/90 – 295
(4Au89)

(4Au69) 7.6% 1st Mig Deb Six 89/94 = £88% (6Au89)
Seyman Dissillers PLC12%% Deb Six 2012 – 2114% %
South African Breweries Ld7% Red Cum pri R1 – 10 (3Au89)
Vaux Group PLC10.75% Deb Six 2016 – 5101% &

Jaux Group PLC 10,75% Deb Stk 2016 = \$101% \( \)

(4Au89) 9'4% Red Deb Sik 87/92 - £86% 7% Red Deb Stk 88/93 - £86%. 7% Red Deb Sik 8994 - E89 9% Red Deb Sik 8994 - E89 9% Red Deb Sik 91/96 - E90 (7Au89) 7% Uns Ln Sik 96/91 - E90 (7Au89) 7% Uns Ln Sik 96/2000 - E84%

79% Uns Ln Sik 97/2001 — £92 (9Au69) 10%% Uns Ln Sik 2000/05 — £97% 5%% Ind Uns Ln Sik — £50 (8Au69) Commercial, Industrial, etc

No. of bargains included 18681

AAH Hidgs PLC4.2% Cum Prt £1 - 60Φ

ABB Kent PLC9% Dob Sit 88/83 - 283 %

7.% Dob Sit 88/93 - 288 %

A.C. Holdings PLC11% Cnv Uns Ln Sit 94/98 - £105 [8Au93)

ADT LdADR (10:1) - \$32,775

AECI Ld51, % Cum Prt R2 - 22 (9Au89)

AMEC PLC 15% Uns Ln Sit 1992 - £107

Actinite Engent Toronata 10% Sitg Dob

Sit 91/96 - £94 %

Airtours PLCWarrants to sub for Ord - 18 (8Au89)

(8Au89)
Abright 8 Wilson Ld 7%% Deb Site 85/90 = 594%
Alean Aluminium Ld Com Sits of NPV = 574%
Alean Aluminium Ld Com Sits of NPV = 574%
Alean Group PLC 9.25p (Net) Cnv Cum Red Prf 10p = 109 10 2
Alied-Signal Inc Sits of Com Site S1 = 539.269
Amber Day Hidgs PLC 10%% Cum Prf 99/2002 £1 = 100 (7Au89)
American Brands Inc Sits of Com Sit vsr2002 £1 = 100 (7Au69)
American Brands Inc Sha of Com Stk
\$3.125 = \$76.52 (4Au69)
Anglo American industrial Corp Ld5.625%
Cum Pf R2 = 100
Ash & Lacy PLC8% Deb Stk 67/92 =
291 % ©
Associated Beach Com

Ash a Lacy PLCS% Deb Set 8792 - 291 % P

Associated British Foods PLC5% Units
Lin Six 87/2002 S0p - 27 (7Au89)
71% Units Lin 6tk 87/2002 50p - 38% 0

Associated Fisheries PLC8% Units Lin Six 91/86 - 297 P

Associated Leisure PLC7% Units Lin Six 93/94 - 283% P

Attwoods (Finence) NV 9% p Gid Red Criv Pri 5p - 145 0 9

Austria Reed Group PLC Ord 25p - 415 (7Au89)

3\*\* Cum Pri 21 - 79 (9Au89)

Automated SecurityHologi PLC5% Criv Cum Red Pri 21 - 158 (8Au89)
6\*\* Criv Cam Red Pri 21 - 117 6 0 8\*\* Criv Lina Lin Six 90/35 - 2410®

Automated Pri 21 - 181 (8Au89)
6\*\* Criv Lina Lin Six 90/35 - 2410®

Automated Pri 21 - 181 (8Au89)
6\*\* Criv Lina Lin Six 90/35 - 2410®

Automated Pri 21 - 181 (8Au89)
6\*\* Criv Lina Lin Six 90/35 - 2410®

Automated Pri 21 - 181 (8Au89)

- 98 (7Au89) B.A.T Industries PLCADR (1:1) - \$14.1725 k. 28
e.A.T. Investments PLC 10% Uns Ln Stk
90/95 - 259©
10/5% Uns Ln Stk 90/95 - 296%
BICC PLC7% Deb Stk 85/90 - 295©
74% Deb Stk 90/95 - 286
9M Group PLC 4.50 (Net) Cnv Cum Red
Pt 20p - 134 (8Au89)
BOC Group PLC 4.55% Cum Pri 21 - 60
(7Au89)

(7Au89)
2.8% Cum 2nd Pri £1 – 32 (7Au89)
3.5% Cum 2nd Pri £1 – 56% (7Au89)
1.5% Cum 2nd Pri £1 – 56% (7Au89)
1.2% Uns Ln Sik 2012/17 – £110%
1.286 Industries PLC 7X% Deb Sik 88/91 –
£266

E96
10\*\*N Deb Sik 94/99 - £86 (8Au89)
BS Group PLC Ord Sik 5p - 435 (8Au89)
B.S. G.International PLC 12½ \*N Una Lin Sik 93/96 - £100 (9Au89)
BTP PLC7.5p(Net) Cnv Cum Red Pri 10p Bardsey PLC Warrants to sub for Ord - 36 7 (4Au89) 7 (4Au89) Barr & Wallace Arnold Trust PLC Ord 25p - 550 (9Au89) - 550 (9Au39) Beauford PLC7p (Net) Cum Cnv Red Pri 10p - 112 (8Au89) Seazer PLC8.67% Cum Red Pri £1 - 93

(8AJS9) 6WS Core Uns Lin Sik 2000 - \$131 1 Birmid Cualcast PLC7%% Uns Lin Sik 07/92 - 290%-9 Blue Anow PLCADR (10:1) - \$18.35 39 Blue Circle Industries PLCADR (1:1) ~ Slub Circle Industries PLU-AUM (111) ~ \$4.81 (9-AuB!) 5% 2nd Deb Six 1984/2009 - 98006 5% Unis Lin Six 1075 or aty - 559 66 Bogod-Paepath PLCOrd 10p - 45 (9-AuB!) 8oots Co PLC7½ Unis Lin Six 88/93 -Bowater industries PLC4.35% Cum Prf £1

= az Bowthorpe Hidgs PLC7% Uns Ln Sik 90/95 - £78%**Φ** 90/95 - £79% 
Braime(T.F.&J.H.)(Hidgs) PLC Ord 25p - 350 (44u89) 
"A" Ngn.V Ord 25p - 243 
Braithwate PLCCnv Prf S0p - 88 (7Au89) 
Bridon PLC6% Deb Stk 89/93 - £87% 
101% Deb Stk 91/96 - £92% 
7 % Uns Ln Stk 2002/07 - £78% (7Au89) Bristol Evening Post PLC10%% Mtg Dob Stk 01/96 - 295% P British Always PLC ADR (10:1) - \$33.235 British Alazar Aluminium PLC10%% Deb Stk 2011 - 294% (4Au88) Six 2711 - 234% (-Au88) 10%\* Deb Six 89/94 - 295%\* Hish-American Tobacco Co Ld5% Cum Pri Six 21 - 53 (8Au89) 9% 2nd Cum Pri Six 21 - 65 6 (7Au89) 바 200 Cum Pri Sk 전 - 65 8 (7Au8) Hitsh Shoe Corp Hidgs PLC 0%% Cum 3rd Pri £1 - 62 (4Au89) 7% Urs Ln Sk 8590 - 292 Hitsh Sidas Ld 6% Deb Six 8590 -£93% Φ

37=47 :h Steel PLCADR (10:1) (Ptly Pd) -rown & Jackson PLC 10.79% Cnv Cum Pf £1 \_ 990

Burd PLC 10.75% Cnv Cun
Pri £1 - 99©

Bullers PLC 6% Cum Pri £1 - 80 (7Au89)

Burd PLC 7% Cnv Uns Ln Six 95/87 =
£94 5

Burndené investments PLC 15% Uns Ln
Six 2007/12 = £108©

Burton Group PLC Was to Sub for Ord Shs
1991 - 40 2 (8Au89)

8% Uns Ln Six 98/2003 - £82%
9%% Uns Ln Six 98/2003 - £91 9
(7Au89) (7Au89) 8% Cov Una Lo Sak 1996/2001 – £113

% 5 Buffin's Lid 7%% 1st Mtg Deb S& 85/90 = £34.54 C.H.Industriete PLC 9%% Cum Red Pri £1 - 97 (8Au69) 7% Chr Cum Pri £1 ~ 210 (7Au89) CRH PLC7% "A" Cum Pri tr£1 - 120.58 GRI PLC7% "A" Cum Pri Irci - 120.58 (8Au89) Cadbury Schweppes PLC8% 1st Ming Deb Sic 84/2006 - 286 (8Au89) 5% 1st Ming Deb Sic 88/83 - 231% Caffyrs PLC18% Cum Pri 21 - 100 (7Au89) Canadian Overs Pack Industr LdCom Npv - R25% (9Au89)

- R25% (9Au88) Caparo Industries PLC8,75p Dividend Criv Cum Rad Pri 20p - 165 (7Au88) Cape Industries PLC10% Deb Stk 86/91 -2977-Ф
Cardo Engineering Group PLC 10%% Cum
Red Pri 21 – 105
Cariton Communications PLC 0rd 5p
(Restricted Transfer) – 833 3 5 7 7 43 4
8.50(Restricted Transfer) – 878 3 5 7 7 43 4
Transfer) – 108 9 10 % % 1 1 ½ % 9

(Restricted Transfer) - 833 3 5 77 43 4 6.5p(RegCarcCheFedPri 5p(Rest Transfer) - 128 9 10 % % 1 1 % % 2 Caterpillar Inc.Sts of Com Sik \$1 - \$63.228789 %9 Centreway Trust PLC11% Cum Pri £1 - 100 (A4.89)
Charmel Turnel Investments PLC5p - 173 Charringions Industrial Hidgs Ld3% Uns Ln Sik 8893 - 270 (BA.89) 10%% Uns Ln Sik 93/98 - 293 Charter Consolidated PLC2p(Br) (Cpn 50) - 59.05 p 580 (BA.89) (Cpn 50) - 59.05 p 580 (BA.89) (Cpn 50) - 515f (9A.89) Charter Consolidated PLC2p(Br) (Cpn 50) - 515f (9A.89) Charter Charles PLCC1d 25p - 500 (9A.89)

2002/07 - 286 71½ Uns Ln Stk 90/95 - 289© Cohen(A.) & Co PLCNon. V "A" Ord 20p £10.55 £10.55 Cooper (Frederick) PLC6.5p (Net) Cnv Red Cum Ptg Prf 10p = 1000 Courtaulds PLC6% Cum Red 2nd Prf £1 =

7%% Deb Stk 89/94 - £87% 7% Deb Skt 89% 4-55 - £71% 6
51% Uns Ln Skt 94% 6 - £71% 6
91% Uns Ln Skt 94% 6 - £78
71% Uns Ln Skt 94% - £84 %
71% Uns Ln Skt 20005 - £80% 6
Courtauds Coatings Ld6% Uns Ln Skt
90% - £88% 6
Crode Cosmetics 8 Tolletries Ld7% Urs 90/95 - 288 % ©
Crode Cosmeties 5 Toiletries Ld7%% Uns
Ln Stk 87/92 - 291 ©
Crystelate /#dgs PLC6%% Cnv Uns Ln
Stk 2003 - 270 (8489)
DANS Simpson Group PLCOrd 25p Crist Research DAKS Simpson Group PLCOrd 25p -£16% (BAU89) DRG PLC7%% Uns Ln Sek 88/91 - 291 %

71 % Dalgety PLC 4.85% Cum Pri £1 = 58 Dana 1.49% Uns Ln Six 87/92 = 58849 82/49 Davenport Knibwear PLCOrd 10p = 480 (7Au89) Davies & Metcalle PLC"A"(Non.V)Ord 10p - 222 4 5 7 9 9 32 ms PLC7X% 2nd Deb Stk 01/96 - £87% (9Au89) 65% Uns Ln Sik 86/91 - £90% Ф 7%% Uns Ln 6tk 2002/07 - £70 Deka PLC 4,2% Cum 1st Pri £1 - 59%

(9Au89) 3.15% Cum 2nd Pri £1 = 45 (8Au89) 7%% Deb Stk 85/90 - £92 10%% Deb Stk 95/99 - £99% (9Au89) Dencora PLC6.25% Curn Cov Red Pri £1 = 146 Desoutter Bros(Hidgs) PLC5.25% Cum Pri £1 = 100 21 - 100 Downirsti L.)(Hidgs) PLC6.75% Cum Pri 51 - 101 (8Au89) Dowly Group PLC7% Cnv Cum Red Pri E1 = 135 6 % EMAP PLC 5% Cum Pri £1 = 50 (8Au89) East Lancashire Paper Group PLC7%% Uns. Ln Stx 87/82 = 286%. Egerton Trust PLC 7% Cnv Cum Red Pri

Pri £1 = 100 (8Au89) Bott(9.) PLC 7% Criv Cum Red Pri £1 = 7%% Deb Stk 90/95 - 580% 49 Blis & Everard PLC7%% Deb Stk 87/92 -Elswick PLC 8% Cnv Com Red Pri 92/94 Elswick PLC 8% Cnv Com Red Pri 92/94 21 - 290 (7Au89) Elys(Wimbiedon) PLC Ord 25p - £10.3 10.45 (9Au89) Empires Stores(Bradford) PLC 6% Deb Sit 91/96 - £96 English Chine Claye PLC ADR (3:1) -\$24,025 Derropeen Home Products PLC SX% Cnv Cum Red Pri 2006/11 £1 - £2 4 5 (\$Au89)

ise PLC6.5% Criv Cum Red

(SAUS9)
Eurobunnel PLC/Eurobunnel SA Units (1
EPLC Ord 40p & 1 ESA FR10) (Br) —
FR94 24 9 59 95 kg
Units (Scovam Insertibed) — FF194.8. 95
Evode Group PLC 7p (Net) Crv Cum Red
Pri 10p — 95 5 6 8 7 7
8% Crv Uns Ln Std 03/08 — £162
(ZauS9)

(7Au89) Ex-Lands PLCWarrants to sub for Shs -60% (4Au69) FII Group PLC7.7% Cnv Cum Red Pcf 95/96 21 - 115 Fisher(Albert)Group PLCADR (10:1) ~ 95/9 £1 - 113 Fisher(ABert)Group PLCADR (10:1) ~ \$17.82 F3018 PLCADR (4:1) - £14,24 0.23% 51% Uns Ln Six 2004/09 - £54 (6Au89) Fluor CorpCom 50.625 - \$33.83 (4Au89) Folkes Group PLCOrd 5p - 80% 15 Fortnum & Muson PLCOrd Six £1 - £46 6 (7Au89)

(7Au8)
Foseto PLC5¼4 Criv Red Cum 2nd Pri - 188 90 5 (AAu88)
Friendly Horels PLC4¼% Criv Cum Red Pri 21 - 103
5% Criv Cum Red Pri 21 - 175 6
7% Criv Cum Red Pri 21 - 175 6
7% Criv Cum Red Pri 21 - 112
6KN (Unised Kingdom) PLC7½% Gid Deb Sik 88/91 - 28/4¾Φ
10½% Gid Deb Sik 91/86 - 281 ½4Φ
10½% Gid Deb Sik 90/95 - 298½ 0%
General Electric Co PLCADR (1:1) - \$4.42
45

45
7 % Una Ln Sik 87/92 - 288% 7
7 % Ures Ln Sik 88/93 - 288 % 9
Gestemer Hidgs PLC 10% Cnv Una Ln Sik 90/95 - 2146 9
Gaso Group La8% Una Ln Sik 85/95
50p - 40
7 % Una Ln Sik 85/95 50p - 42% 3
(SAU69) (SAUSS)

Glynwed international PLC7%\* Deb Stk
8994 - 253\* 4

10%\* Una Ln Stk 94/92 - 257 4

Goodwin PLC7d 10p - 54 (SAUSS)
Grace (N. R.) & CoCom Stk 51 - 533.2

(7AUSS)

Grand Metropolitan PLC5% Cum Pri 21 51 (SAUSS)

5) (9Au89) 0%% Cum Prf £1 - 58 (8Au89) 0.75% Cnv Une Ln Stk 1989 400p - 623 7 9 32 % 4 7 9 32 %
Great Universal Stores PLC6%% Uns Ln
Stk 93/98 - 289
Hanson PLC Warrants so sub for Ord - 83
8 7 7 % % 8 9 9
Hastro IncShs of Corn 8tk \$0.50 ~
\$21,20126 (7Au69)
Hawker Siddeley Group PLC5%% Cum
Pt \$1 - 50 3

Hawker Siddeley Group PLC5%% Cum
Prt 21 - 50 3
7 1/4% Deb Sit 87/92 - 297 74/0
Hewits, I.) & Sont Fenton) PLC 10% Cum Prt
21 - 105 (9Au89)
Hischon International PLC 65/% Uns Ln
Sit 89/84 - 270 (9Au89)
Higgs & Hill PLC7% Cum Prt 21 - 88
(8Au80)
Hodeson Holdings PLC6.75o (Net) Cre Prt (8Au89) lodgson Holdings PLC8.75p (Net) Cnv Pri 5p = 87 (8Au89) Honga Motor Co LdShs of Com Sik Y50 =

Honda Motor Co LiShs of Com Sit Y50 – Y1980

House of Freser PLC5% Une Ln Sit Su99 – 525 55 65

Howard & Wyndham PLC18% Uns Ln Sit 7891 – 250 5 (4Au89)

Howard & Wyndham PLC18% Uns Ln Sit 7891 – 250 5 (4Au89)

Howard Sit Wyndham PLC18% Uns Ln Sit 86-91 – 254 1/2

61% Deb Sit 88/91 – 254 1/2

Husterprint Group PLC5% Cnv Cum Red Pri Si – 100

Mil PLC7% Uns Ln Sit 86/93 – 256/4/2

87 Uns Ln Sit 85/93 – 256/4/2

88 Uns Ln Sit 85/93 – 256/4/2

89 8% Uns Ln Sit 85/93 – 256/4/2

89 8% Uns Ln Sit 85/93 – 256/4/2

80 Pri 20p – 111 2

Bingworth, Morris PLC5/1/8 Cum Pri Sit 21 – 66 (8Au89)

Inco Enghaerad Products Ld8% Deb Sit 87/92 – 2919/4/2

Jacob(W. 8 7) PLC5/1/8 Cum Pri I/51 – 190.55 (9Au89)

Johnson & Firth Brown PLC 11% Uns Ln Sit 83/93 – 253

Johnson Group Cleaners PLC7 59 (Ned)

Cnv Cum Red Pri 10p – 139 (8Au89)

Johnson, Marthey PLC5/1/8 http Deb Sit 85/90 – 298 1/2

81/7 Mtg Deb Sit 85/95 – 286

Johnston Group PLC 10% Com Prf £1 -Johnston Group PLC 10% Com Pri £1 - 100 (8Au89)
Jones, Stroud(Hdgs) PLC 10% Com Pri £1 - 109 (9Au89)
ILP Group PLC Cum Criv Red Pri 10p - 80 (8Au89)
Keppel Corporation Ld Ord SS1 - SS5% 32825 3395 A
Kymmens Corporation Sts FM20 (Unrestrated) - FM118½ (8Au89)
Lactroise Group PLC ADR (1:1) - SS,4
8% Grid Ura Lin Six 90/92 - £50 (7Au89)
Laporte PLC 34% Deb Six 88/93 - £52/94/9
8% Deb Six 93/98 - £96% (9Au89)

8% Deb Six 93/98 - £86% (BAu89) Lesure investments PLC7% Cum Crw Hed Pri (93/98) £1 - 74 4 Lewis John Partnership PLC 5% Cum Pri Sit E1 - 49 (84/89) Linved PLC 7%% Deb Sit 89/93 -

Livragd PLC 7%% Deb Stx 89/93 - E57% PL Common International Group PLC ADR (5:1) - \$20.35 |
London International Group PLC ADR (5:1) - \$20.35 |
London PLC ADR (1:1) - \$4.8549 |
7%% 1st Mtg Deb Stx 85/91 - 291 %49 |
9% 2nd Mtg Deb Stx 87/92 - 291 %49 |
Lovelity J. KHidges PLC 83/% Deb Stx 87/92 - 291 %49 |
Low 8 Borar PLC 53/% 3nd Cum Prt Stx 21 - 50 (84x89) |
Low 8 Borar PLC 53/% Cum Cnv Red 1 |
Low 60/80 J Co PLC 675% Cum Cnv Red 1 |
Low 60/80 J Co PLC 675% Cum Cnv Red 1 |
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Low 60/80 J Co PLC 675% Cum Cnv Red 1 |
Low 60/80 J Co PLC 675% Cum Cnv Red 1 |
Low 60/80 J Cum - 50 (8Au89) /m) () Co PLC 6,75% Curr Cnv Red Low(Win) 0 Co PLCS. (5% Colin City Pet Pri \$1 - 147 (SAUS) Lowe(Robert H.) & Co PLC67.5% (Net) Crv Cure Red Pri 10p - 82 Lucus Industries PLC104% Uns Ln Stk 9297 - 288% 100 MBS PLC6% Crv Uns Ln Stk 1997 - 250 (4Au89) Mecanle(London) Ld 7%% Uns Ln Stk 

(8Au89)

ACCUMY & Stone PLC8.75% Cum Red
Pri 2003 21 - 94% (8Au89)

7% Cnv Lins Ln Sit 95/04 - 266

Magnet Group PLC7.5p (Net) 1st Red Pri
50p - 49

Marks & Spencer PLC7% Cum Pri 21 
79 774/18 79 (74u89)
Marshells PLC 77% Deb Six 56/91 = 530%
11 1% Deb Six 2014 = 5103%
Macca Leisure Group PLC 7.25p (Net) Criv
Cum Rad Pri 20p = 97 7 9 8 9
Mint Corporation Cum Sits of NPV = 62.1
(8Au89)
Monagenty CoCom Sits 52 = \$120%

(8Au89)
Monsanto CoCom Str. \$2 = \$120½
(8Au89)
Momedison S.P.A. Savings Shs L1000
(Cpn 6) = L1378 86 (4Au89)
Mount Charlotte Investments PLC 10½%
1st Mig Deb Str. 2014 = £100½ % %6
NCR Ld.5% % Ged Ln Str. \$398 = £55
(7Au89)

(7Au89)
NSM PLC8.5p (Net) Cnv Cum Red Prt 10p
– 127
Nøwey Group Ld5% Cum Prt £1 – 49
18Au89)
Next PLC7%\*A\* Cum Prt £1 – 53 (8Au89) 10%°B' Cum Pri 500 ~ 45 (9Au89) 7%% 1st Mig Deb Sik 87/92 - £90% 7½% 1st Mig Deb Sit 87/92 - 290½Φ Nexus Corporation Ld 7½% 1st Mig Deb Sit 87/92 - 299 ½ Φ Norsk Data AS Class 1B\* (Non Vig) NIC20 -NK37½ & 9 Northern Engineering Industries PLC3% Cum Red Pri £1 - 70Ф 11% Cum Pri £1 - 140 (8Au69) 9½ Lins Ln Sit 88/93 - 288 6 5½ Φ 9½ Lins Ln Sit 80/95 - 288 ½ Φ Oceonics Group PLC Warrants to sub for Ord - 21

Octonics Group PLC Was an Octonics Group PLC Was a Colored PLC 85/% (Net) Criv Cum Red Pri \$1 - 99 with Hed Pri £1 - 99
Internount Communications IncCom Stk
\$1 - \$607/\$\Phi\$ .52\Phi\$
arkfield Group PLC Cum Red Pri 2010/13
£1 - 92 (9AU89)

Parkfield Group PLC Cum Red Pri 2010/13
£1 = 92 (9Au89)
7% Cum Criv Field Pri £1 = 434 (7Au89)
Parkdand Textile(Fields) PLC Ord 25p = 2829
Patterson Zochonia PLC 7%% Cum Pri £1 = 80 (8Au89)
10% Cum Pri £1 = 105 (4Au89)
Pauls PLC 65% Deb Sch 85/90 = 297% Pathon Leisure Hidgs PLC Ord 10p = 136
644
Paerson PLC 5.67% Line Lei Sit 28002 = Pearson PLC5.6/37 - 5.52 (7Au89) 822 (7Au89) 8.25% Uns Ln Sik 88/93 - 588 % • 60 PL C7.50 Cav Subord L on PLC5.675% Ups Ln Stk 88/93 -823% URS LR SK 8893 = 1007469 Pergaman AGB PLC7-50 Che Sthord La Sik 2002 2%p = 50 (9Au89) Pilar Bectrical PLC7%% Urs Ln Sik 8691 = 592 (7Au89) Pilarton Group PLC New Ord 25p = 230

Plessey Co PLC71/2% Deb Stk 92/97 -Portals Hidgs PLC 6%% Cnv Una Ln 5tk 94/2000 = £212 (7Au89)
Portsmouth Sunderland Newspapers PLC 10.5% 2nd Cum Pri £1 = 105 (Au89)
Cueens Moat Houses PLC 10%% 1st Mig Deb Stk 2020 = £96%
New 10%% 1st Mig Deb Stk 2020 = £96

Outcks Group PLC 18% Cum Pri £1 - 104 (BAUSS)
R.E.A.Hidgs PLC 9% Cum Pri 21 = 80 (BAUSS) RPH Ld8% Deb Stk 92/96 - £82%-

41/% Uns Ln Sik 2004/09 - £45 (8Au6 71/% Uns Ln Sik 87/92 - £89%/ 9% Uns Ln Sik 99/2004 - £83 (9Au89) 3cal-Chubb Ld 8% Uns Ln Sik 92/96 -284 % P 8% Uns Ln Stk 87/92 = 587 (8Au89) acal Telecom PLC ADR(10:1) - \$60.05 %

Racal Telecom PLC ADR(10:1) - \$60.05 % % .8
6% Cam "A" Pri £1 - 58 (BAu89)
6% Cam "B" Pri £1 - 59
81% Uns Ln Six 90:94 - £89%
6%% Uns Ln Six 90:94 - £89%
6%% Uns Ln Six 90:95 - £93½
Ratners Group PLC 6:25p Cnv Cam
Non-Vig Red Pri 20p - 99 % 100 % 1
Readiout International PLC 9%% Urs Ln
Six 89:83 - £90 % 0
Red International PLC 7% Cum Pri £1 50 (SAu89)
Reed International PLC 7% Cum Pri £1 74 (SAu89)
Renold PLC6%% 1st Deb Six 90:95 £89:00
Richerds PLC7%% Deb Six 87:52 £89:00
Richerds PLC7%% Deb Six 87:52 £89:00
Richerds PLC1%% Urs Ln Six 90:95 £96:00
Six 90:00
Richerds PLC10%% Urs Ln Six 90:95 £96:00
Six 90:00
Richerds PLC10%% Urs Ln Six 90:95 £96:00
Six 90:00
Six 90:00
Richerds PLC10%% Urs Ln Six 90:95 £96:00
Six 90:00
Fix 90:00

7%% Lins Ln Stk 93/98 - £84 7 (7Au69) tuston 8 Hornsby Ld8% Deb Stk 87/92 -

S 8 U Stores PLCWarrants to sub for Ord - 42 (7As89) - 42 (7Au55)
SD-Scicon PLC6.5% Cnv Cum Red Prf £1
- 120 (5Au63)
Warrants to sub for Ord - 11
Seatchi & Seatchi Co PLCADR (3:1) \$15.765 .766755 (8Au69)
6% Cnv Uns Ln Sek 2015 - 280
Sainsbury(J) PLC6% Intd Uns Ln Sek £75

275
Senderson Murray&Eider(Hidgs) PLCOrd
Stp = 235 (8Au89)
Savoy Hotel PLC4% 1st Mtg Perp Deb Stk
= 520 (SAu89)
Scantrone Hidge PLC7-25p (Net) Crw
Cust Red Prl 20p = 117 21 5
5.75% Crw Cust Red Prl £1 ~ 205
(8Au89)

(8Au89)
Seapa Group PLC8% Uns Ln Stk 88/93 – £86 (8Au89)
Sooth & Robertson PLC7%% Cum Chv
Red Prf £1 – 128 Red Pri E1 - 128
Sears PLC 7% A Cum Pri E1 - 68
(\$Au89)
12/% Cum Pri E1 - 120 (4Au89)
74% Urs Ln Stt 92/97 - 224 (7Au89)
Shaw Campets Ld6%% Deb Stt 88/93 - 288/% P

288 % Ф Sidaw Group PLC7%% Uns Ln Sik 2003/08 - 206 Sindaf (William) PLC5.625% Cnv Cum Red Pri \$1 - 120 3% 4 600 Group PLC8%% Uns Ln Sik 87/92 -290% Smith (W.H.) Group PLC\*B\* Ord 10p = 70 5%% Red Uns Ln Stk = 245 (9Au89) 7%% Red Uns Ln Stk 88/83 = 2896 Smithidine Beecham PLCADR (6:1) = \$47 W, Smithidine Beecham PLC/Smithidine ADR

(1:1) - \$43.47 Smiths Industries PLC 11 1/2 Deb Sik 95/2000 - £97 (8Au89) STRUMENTS PLCT1 Nº Deb Sik

95/200 - 237 (Auß9)

Smurfit Jefferson)Group PLC 6% Cum Pri
fr21 - 100.45

10 % Uns Ln Six 75/95 - 1295

9% Cnv Uns Ln Nts - 2186 7 fr210
213 214 216‡

Spearj J.W.) & Sons PLC Ord 25p - 245

(7Auß9)

Sprand C.A. (Special Agency) Ord 50p 215% (7Auß9)

Spong Holgs PLC Cnv Cum Red Pri 20p 62 3 4

Spullib Conn Com Sal \$2 82 3 4
Squibb CorpCom Six \$1 = \$108.039467\( \phi\)
.039497\( \phi\) .0395\( \phi\) .256346\( \phi\)
Stag Furniture Hidgs PLC 11% Cum Prf £1
= 117 (98.025)
Stavaley Industries PLC7%% Uns Ln
St(66/67) = 232%\( \phi\)
7/5% Uns Ln Six 68/93 = 286%\( \phi\)
Storehouse PLC9% Cnv Une Ln Six 1992

- £103 % - £103 Speekingin PLCWarrants to sub SUDDITO, Speakings PLC Warrants to sub-for Ord = 107 8 (7Au69) 0%% Red Cum Pri SI = 87 (9Au89) 8mn(John) & Sons PLC Ord 25p = 550 8mire(John) & Sons Ld8.3% Cum Pri SI = 59% 59% Symands Engineering PLCOrd 5p - 41 7 & N PLC8% Mrg Deb Stk 67/92 - £90 10.1% Mrg Deb Stk 90/95 - £96% 7%

Tate & Lyle PLC5%% Curn Pri Sak 21 — 83 (9Aud8) 72% Deb Sak 88/94 — 285 % Ф 72% Uns Ln Sak 85/90 — 284 % Ф 72% Uns Ln Sak 85/90 — 284 % Ф 72% Woodrow PLC5%% 1st Mitg Deb Sak 2014 — 280% % (7Aud8) Warrans to sub for Ord — 101 Tesco PLC4% Uns Deep Died Ln Sak 2006 — 288% % \_ 248% 1/2 THORN EMI PLCWarrants to sub for Ord

= 3220 Taking Thomsa) PLC6% Deb Six 85/90 = 596 % 82% Uns Ln Six 89/94 = 287% 68 Tiguide Group PLCT1/4% Uns Ln Stic 91/96 - £99% Tiphook PLCUmts of 420p of CULS 1990(Pty Pt)(Reg) - 120 1 3 4 5 7 7 30 Toctal Group PLC0%% Deb Six 88/90 -ESSV-Ф
71% Deb Sit 8590 - 296%-Ф
71% Deb Sit 8590 - 296%-Ф
71% Urs Lin Sit 8994 - 296%-Ф
Towless PLCOrd 10p - 242 (7Au89)
74" Non-V.Ord 10p - 39 (7Au89)
74" Non-V.Ord 10p - 39 (7Au89)
75 | 10p | 10p

7% Uns Deb Stk £1 = 62 (8Au69) 7% Oras Les Six 23" — 250% (BAudes)
9% Uras Les Six 200005 — 259% (BAudes)
9% Uras Les Six 200005 — 259% 90
10%% Uras Les Six 200106 — 256
77amsport Development Group PLC5%%
Uras Les Six 8594 — 250% — 256 (7Audes)
9%% Uras Les Six 95/2000 — 2591% (BAUSS) Triplex Lloyd PLC5%% Cam Pri £1 - 52 (7Ap88) thouse Forte PLC Warrants to sub for

7nsthouse Forte PLC Warrants to sub for Ord - 130
6.25% 1st Mtg Deb Sik 65/90 - £94\(\Phi\)
7.25% 1st Mtg Deb Sik 65/90 - £94\(\Phi\)
7.25% 1st Mtg Deb Sik 86/97 - £98%
9.1% Uns Ld Sik 95/2000 - £90 2
Unigate PLC5% Uns Ld Sik 91/96 - £90 2
Six We
8%% Uns Ln Sik 91/96 - £75
Unitever PLC ADR (4.1) - £71.655\(\Phi\)
71.615\(\Phi\) 71.535\(\Phi\)
5%% Uns Ln Sik 91/2005 - £54 (7An89)
8% Uns Ln Sik 91/2005 - £54 (7An89)
8% Uns Ln Sik 91/2005 - £78 80 2 %
% 3 % 4

Union International Co PLC6% Cum Pri Sik £1 = 67 9 SR E1 = 67 9 Unisys Corp.Com Sk S5 = \$22 (8Au89) Unisys Ld3% Deb Sk 87/92 = \$2054 United Biscutts(Hidgs) PLC8% Deb Sk 95/98 = \$27 93/98 - 227 United Scientific Hidgs PLC5-5% Cnv Cum Non-Vig Red Pri E1 - 71 (Mad69) Upton(E-18 Sons PLCOrd 25p - 73

(8Au89) Varity Hidgs Ld7%% Deb Stk 87/92 -VCRS Group PLCADR (2:1) - \$10% 55% Criv Cura Red Pri 1999 10p - 122 WPP Group PLCWarrants to sub for Ord - 160 2 3 3 4 5 5 % 6 = 160 2 3 3 4 5 5 % 6 9.25p (Net) Chy Curn Red Pri 10p = 115 % 6 6 % 7 7

Pri(49/2000)£1 - 85 Warne,Wright & Rowland Ld 8%% Deb Stk 87/92 = £91 % \$

orisz = 191 %♥ Warner-Lambert CoCom Stk \$1 = \$110.916292♥ lateriord Glass/Wirld Wedgwood PLC Units (1 WFO Ord InDL05 & 1 WFW Inc - 72 % 4 4 annoughs(Hidgs) PLC8W% Cum Red Pri 2006 £1 = 91%

Connos/Hides PLC8%% 1st Mig Deb Stk 90/95 - £85 %- 4 /clseley PLC7% Deb Stk 86/91 - £91%

(SAUS9)

Xerox Corp Com Six \$1 = £41.8 (7Au89)

Yorkshire Chemicals PLC 5% Cum Prf £1 - 57 (7Au89) 10% Deb Sik 91/96 - £92% Financial Trusts, Land, etc. Australian Agricultural Co LdSA 0.50 -370 80 (8Au89)

sub for Ord - 15 7 (7Au89) angkok trivestments Ld Ptg Red Pri \$0.01 Sub for Cer = 15 / (Auco)
Subject treasments Ld Pig Hed Pri 30.01
- 361 (Aucs)
Britania Arrow Hods PLCWts To
Subscribe for Ord - 45 (7Au69)
British & Commonwealth Hidgs PLC 10%%
Uns Ln Six 2012 - 280% % % % % ½
Capital Surategy Fund Ld Pig Red Pri
50.01(Stig Deposit Fund She) - £1.023
(7Au69) (7Au89) Daily Mail & General Trust PLCOrd 50p —

EFT Group PLCWarrants to sub for Ord -13% (7Au89)
First Debenture Finance PLC 11.125%
Severally Gtd Deb Six 2019 - £105%
First National Finance Corp PLC 10%
Subord Uns Ln Six 1992 - £95%
(7Au89) Subord Unit of the Control of the Control of Control of

PtgRedPri Stuto La millo S 29.36 (8Au86) PtgRedPri \$0.05 Ct. O(Global Equitios) - 28.07 (8Au89) Goode Durrant PLC3.5% Cum Pri 50p — 25 (9Au89)
Greece Fund Ld Shs \$0.01 (IDRs to Br) — \$880\to Depositary Warrants to Sub for Shs — \$20\to \text{

\$20@ winness Flight Global Strategy Fd Ptg Red Prf \$0.010Merraged Currency Fund) - \$20.29198 (4Au89) Ptg Red Prf \$0.01(European Fund) -\$84.82 olborn Currency Fund Ld Ptg Red Prf \$0.01 Managed(Sterling Shs) - \$1.354 (8Au89) (8Au89)
Henting Gibson PLC6.25% Cum Cnv Pri £1 - 115 6
18i Global Funds Ld Ptg Red Pri \$0.01(Maraged Shs) - £16.15 (8Au69)
Inchespe PLC6%% Cum Red Pri 90/92 £1

- 91
2% Uns Ln Sik 87/80 - 197% ◆
101% Uns Ln Sik 90/95 - 294% ◆
121% Uns Ln Sik 90/95 - 294% ◆
121% Uns Ln Sik 90/96 - £102 (9Aw)
118 Six Six Six Six 90/95 - £10% ◆
10% Mitg Deb Six 90/95 - £80% ◆
10% Mitg Deb Six 2010 - £93% 
(4Aw)
(4Aw)

10%% Mitg Deb Stk 2010 - 298% (AAU99)
Korse-Europe Fund LdShs \$0.10 - \$54% 55% 55% 56 (BAU99)
Shc(IDR to Br) \$0.10 (Cpn 2) - \$26250 London & European Group Ld 10%% Uns Ln Stk 1993 - 522 (AAU59)
MIM Britannia, Jersey Gilt Fund Ld Phg Red Pri 1p - 17.7
MIM Britannia, Piconer Marticles FundLd Bro Red Pri 1p - 261 9 (Zha96)

Pri 1p = 17.7

MM Britannia Pioneer Markets FundLd
Pig Red Pri 1p = 261.9 (7Au69)
Mercury Offshore Stering TrustShs of
NPVILk-Pund) = 196.8 (8Au69)
Shs of NPV(Japan Fund) = 121 (Au69)
Marcury Selected TrustShs NPV Global
Fund(Red) = 225.870514 (4Au69)
Mazzarine CapitalLinc Tst 2001 PLCInc
Shs £1 = 173.44 (8Au69)
Murray Ventures PLC11.1% Deb Sik
91/96 = 297% P
NMC Group PLC Warrants to sub for Shs
- 103 (9Au69)
Netional Home Loans Hidgs PLC Ord 15p 3 (9Au69) H Home Loens Hidgs PLCOrd 15p

Netional Homa Loans Hidgs PLC Ord 15p - 115 20 - 115 20 - 7.5% Cnv Pri £1 - 87 Portugal Fund LdPtg Red Pri \$0.01 - \$8% Practical Investment Co PLC Ord 10p -100 (\$Au§3) Cusedrant Intercontinental Fund Ld Shs \$0.10(North American Shs) - £1.13772 (AAu§8) Shs 30.10(Intl Bond Shs) - £0.60125 Radiotrust PLC Ord 25p - 121 3 Somitar Worldwide Money Fund Ld Ptg Red Pri \$0.01(Sterling Shs) - £17.4935 (\$Au§9)

Red Pri \$0.01(Sterling She) = £17.4935
(BAu89)
Shep Morrgage Finance Co PLC8% Red Deb Str 91/93 = £88\*L\*®
Smith New Court PLCWarrants to sub for Ord = 15@
12% Subord Uns Ln Str, 2001 = £91
Strata Investments PLCWarrants to sub for Ord = 58 (BAu89)
TR Worldwide Strategy Fund Sicav She NPV (North America Fund) = 130.35
That Investment Fund LdPig Red Prid \$0.01 = \$92
Thatland International Fund LdPig Ghs \$0.01 = \$92
Thatland International Fund LdPig Ghs \$0.01 (Fleg) = \$14½ (BAu89)
Pig Shs \$0.01 (IDR\* to Bq) = £14
Thompson Cive Investments PLCOrd 50p = 142®
112 \*\*A\* To Deb Str, 80/92 = £87½
1\*A\* A\* Deb Str, 91/94 = £86½
1\*A\* Uns Ln Str, 1994 = £86½
1\*A\* Uns Ln Str, 1994 = £86½
1\*A\* Uns Ln Str, 1994 = £86½

11% Uns Ln Sak 1990 - £98% Vanbrugh Currency Fund LdPrpg "A" Aed Pri 1p - 180.9 (6Au89) Pig "C" Red Pri 1p - 199.1 (6Au88) Whitthead Investment Co PLC8%% Deb Sak 67/92 - £87 № ●

Insurance No. of bergains included 716

General Aco FredLife Asso Corp PLC 5%% Cum Pri 21 - 55 (Muse) 7%% Uns Un Six 87/82 - 296 7%% Uns Ln Six 92/97 - 234% (BAUSE) varden RoyalExchange Assuran 7% Cum Red Pri £1 = 82 7% Uns Ln Stk 86/91 - £90-1 Investment Trusts

Abtrust New Dawn Inv Trust PLCOrd 250 Administrative Leaves are Trust PLCOrd 259

124

Warrants to sub for Ord ~ 65 78

American Trust PLCSK% Deb Six 87/82 ~ 286% —

Australia investment Trust PLC Warrants to sub for Ord ~ 10 (9/Au89)

A Warrants to sub for Ord ~ 1 (7/Au89)

Ballie Giffort Shin Nippon PLCWarrants to sub for Ord ~ 64 (7/Au89)

Bankers Investment Trust PLC3.5% Com
Pri Six ~ 251 (8/Au89)

British Assets Trust PLC4X% Pri
Six(Cun) ~ 248 (8/Au89)

74 5% Pri Six(Cun) ~ 555 8% 9% (7/Au89)

(7Au69)
(7Au69)
Equities Index ULS 2006 10p - 110%
Entitle Empire Sec & General Trust 10%%
Deb Set 2011 - 296%
Entitle Kidney Patient Ass Inv 1st Ord £1 - 290 (8Au69)
Enumer Investment Trust PLC5% Cum Pri Sit - E50%
Capital Gearing Trust PLCOrd 25p - 710
20 30 50 20 30 50 Children's Medical Charley are Tat Warrands to sub for Ord - 5 (8Au89) City of Oxford Investment Trust PLCOrd Inc 5p - 55% 8 Danae Investment Trust PLCWts to Subscribe for 1 bac & 1 Cap - 82 &

Subscribe for 1 let a 1 cap = 52 or (7Au89)
Drayton Consolidated Trust PLC5% Cum Pri Stx = 198 (4Au89)
EFM Dragon Trust PLCWarrants to sub for Ord = 64.7
Established beautiment Trust PLC3.65% ent Trote PLC3.65%

for Ord = 6/4 7
Edinburth Investment Trust PLC3.65%
Clam PNG Sit = 257
71/% Deb Sit 1985 = 25111/4
111/% Deb Sit 1985 = 25111/4
111/% Deb Sit 1985 = 2511/4
English & International Trust PLC51/%
Cum Prf 21 = 50 (74.85)
English National Investment Co PLC91/%
Deb Sit 91/95 = 2591/%
Deb Sit 191/95 = 2591/%
Deb Sit 191/95 = 2591/%
Deb Sit 191/95 = 2591/96
FA C. Pacific Investment Trust PLC
Wistranta to sub for Ord = 124 (8Au86)
First Thrugmorion Co PLC7.25% Cnv Uns
Ln Sit 2003 = 2100/2 (8Au86)
First Spanish Inv Trust PLC Warranta to
sub for Ord = 42.8 (8Au86)
Foreign & Col Invest Trust PLC Warranta to
sub for Ord = 42.8 (8Au86)
Foreign & Col Invest Trust PLC5/%
Deb Sit 55/90 = 252 (8Au86)
5/% Deb Sit 57/92 = 2867/4

oreign & Col Hivest (1984) 81: 85/90 - 292 (8Au88) 61: 200 - 292 - 286% ◆ 71: 200 -Gerenore American Securities PLC Zero Dividend Pri 25p - 50% % % % Germore European Inv Trust PLC 9%% Deb Sitk S1/96 - 289% © Deb Stk 91/96 - 2894/6

Garmore Value investments PLC Zero
Dividend Pri 10p - 53% (8As68)
12.34% Deb Six 1995 - 2103½ (8As68)
6emms. Stueller Co's Inv Trust PLC
Warrants to sub for Ord - 130
Glesgow income Trust PLCWerrants to
sub for Ord - 6 0
Globe Investment Trust PLC 10% Deb Stk

Globe Investment Trust PLC 10% Deb St. 2016 - 297% (SA089)
Govett Attanto inv Trust PLC8% Pri St. - £55% (AA089)
Govett Statelgic Inv Trust PLC9%% Deb St. 2017 - £94% (SA089)
T0%% Deb St. 2016 - £98% (SA089)
Keystone Investment Co PLC5% Cum Pri £1 - 02 (SA089)
Lezard Select Investment Trust Ld Ptg Rad Pri 0.1p Globel Active Fund - £11.28
(4A089) (4Au89) Leveraged Opportunity Trust PLC Ord 25p (With Warrants) (Fp/LA-1/9/88) - 111%

Sek 2010 - \$102 (SAUSE) - Lovestment Trust PLC 11% Deb Site Monks Investment Trust PLD 1 TV 2012 - £102 (AAU89) Murray Improational Trust PLC3.9% Com Pri £1 - 60 (9AU89)

Pri 21 = 60 (9AU89)
Ord 25p = 87 (4AU89)
North American Gas Invest Trust PLC
Units (Fp/LA-22/9/89) = 102 3 610
Northern American Trust PLC3/4% Cum
Pri Stk = 153
Northern Indust Improv Trust PLCOrd 21 Northern Indust Impar-= 390 (9Au88)

- 290 (9Au88)

- 200 (PLC7): 16 Cov Une Ln Stk 96/96 - 2300 (9Au89) Rights and Issubs the Trust PLC77/75 Cont.P1 21 - 70 Scotlish Cities for Trust PLCOrd Set 25p Scottlet Cities for Trust PLCOrd Set 25p - 750 (8Au89) Scottist Egistem for Trust PLC4% 6 Curl Pri Stt = £49

PT: SR = 149 9%% Deb Sck 2020 = 193% % Scottish Investment Trant PLC4.55% Cum -"A" PT: Sck = 273 (BAu89) Scottish National Trust PLC8% Cum PT: "A" Pri Six = 2/3 (RA489)
Scottleh National Trust PLC8% Cum Pri
21 = 68% (AA489)
10% Deb Six 2011 = 296 (8A489)
10% Deb Six 2011 = 296 (8A489)
Six 88/93 = 296 % ©
Shires Investment PLCWarrants to sub for Ord = 60
TIR Australia Investment Trust PLC5% Cum Pri Six = 257% 9% (7A489)
TR City of London Trust PLCPId Ord Six 20% Non-Cumpit = 220 (A4489)
Thomton Asien Emerging Mitts IT PLCOrd 10b (With Warrants) (FpiLA-24/8/99) = 106 6 7
Throggeorge Trust PLC12 5/16% Deb Six

105 6 7
Throgonomon Trust PLC 12 5/16% Deb Six 2010 - £111% (BAUSE)
Throgmorton USM Trust PLC5%% Cuse Pby Cnv Red Pri £1 - 107 (BAUSE)
Triplevest PLC7%% Deb Six 87/31 = £54 % ♥

Witan knyestment Co PLC 8½% Deb Stk 2010 ~ 284% % Unit Trusts No. of bargains included 19
M.E. O.Gold O General Funding Units 46.6 (8Au69)
M.E. G. International Income Funding Units

Mines - Miscellaneous Amalgamated Financial Invis PLU-to sub for Shs - 5% (8Au69) Anglo United PLC Onv Red Pri 10p - 95@ Asarco Inc Com Sik NPV - 519% (9Au69) Bisischi Mining PLC 10p - 60 Botswene RST LdPu2 - 42 (4Au69) Consolidated Co Bultiontein Mine R2 -

Botswane RST LdPu2 - 42 (4Au89)
Consolidated Co Buildonialn Mines Ld Did
354 (8Au89)
De Beers Consolidated Mines Ld Did
R0.05 (Es) (Con 93) - 514.86 14%
B Ord Mining&Exploration Co PLC Ord
10p - 406
Europe Minerals Group PLC Ord 2p - 116
Minangura Cooper Minise LdOrd Std \$21 8 (7Au89)
Waverley & Mining Finance PLC Warrants to
sub for Ord - 15 20 (9Au89)
Zambia Consolidated PLCPId 1p 65 (8Au89)
Zambia Consolidated Copper Mines Ld "8"
Ord K10 - \$2.25 p 175 (7Au89)

Mines - South African

No. or burgains includes 55

Anglo American Corp of South Africa 8% Cum Pris 88; R1 - 249

Barmato Excloration Ld Ord R0.01 - 43; (9Au89)

Coronation Syndicate Ld R0.25 - 15; (9Au89)

East Rand Gold & Uranium Co Ld "S" Ord R0.50 - £1.7; (9Au89)

General Meling Union Corporation 8.5%

Var Comp Criv Cum Pri R0.40 - £1.2½

Lebowa Pistinum Mines Ld Ord R0.01 - 110.0 Lebows F 110 0 Lindum Reefs Gold Mining Co LdOrd 90.01 - 25 (SAu89) New Central Witwestersrand Areas Ld R0.50 - 25

Oil No. of bargains included £199 Burmah OR PLC716% Cum Red Pri Stk 21 - 72 (8Au89) 8% Cum Pri Sik £1 - 76 (9Au89) Congoo Le7%% Gid Uns Ln Sik \$7/93 £85%,© 285%. 8% Gtd Una Ln 34k 87/94 - 285%. ELF UK PLC 12%% Una Ln 58k 1991(Reg) - £1010 - LASMO PLC10%% Deb Sik 2009 -ESTARP Mobil Corpoins of Cum SN \$2 -\$51.632582 Richmond Oil & Gas PLCOrd 10p - 64% 6% 7% 0
New Ord 10p (FpILA-11/8/89) - 68% 4
Shell Transport&TradingCo PLC-Ord She
(Br) 25p(Cpn 182) - 495 6 (9Au/89)
5%% 1st Pr(Cum)c1 - 54
Zapata Corp Com Str. \$0.25 - \$3.6
(9Au/89)

Property No. of bergains included 653 PTUPERTY No. of bergains included 653
Alinatt Loadon Properties PLC77% 1st
Mitg Deb Six 80/85 = 281% 4
Asia Property Hidgs PLC10 576% 1st
Mitg Deb Six 2011 = 293% (84x89)
Bergston Hidgs LG 82% 1st Mitg Deb Six
86/93 = 252 (84x89)
Braddord Property Trust PLC10% Curs
Pd 21 = 119 (84x89)
Braddor Estate PLC7%% 1st Mitg Deb Six

Sutton District Water Co 4.975(Frilly 7%Ord Six = 220000 West Kent Water Co 1214% Red Deb Six. S4196 - \$103 K-0 87:92 - 289%**\*** 9.50% 1st Mig Deb Sik 2026 - 235 9.50% list hing (8AUS9) Capital & Counties PLC65K% 1st Mtg Deb 2724, 72AU893 Capital & Coundes PLCGKK 1st Ming Unit Sit 9499 - 275% (7Au89) 94% 1st Ming Dab Sit 2027 - 194% 95% 1st Ming Dab Sit 2027 - 194% 95% Uns Ln Sit 91496 - 285% Cherwood Alliante Holgs Ld 71% Una Ln Sit 50p - 25% (8Au89) Chy Sine Bristole PLC7% Chy Una Ln Sit 2006/06 - 2136 (8Au89) Carlos Nigtolis & Country PLCSis % Una - Ln Sit 87/82 - 286 (8Au89) USM Appendix

No. of burgs Masador Security Group PLC Ord Sp. -New Ord Sp (Fpt.A-11/8/89) - 36% (24us9) BLP Croup PLC by (Neg Cav Cust Red Pri 10s - 95 (24us9) Bostoors International PLICOID 10p -- 113 Someons International PLECOTO 109 at 113 (BAURE)
CRIVINGIA PLGS 574(Neg Criv Quer Red Pri - 21 - 207 15 7 25 - Corinal Beach PLG
New Jon Net Control 25 - 1499
Bartly Group PLCOTO 35 - 1499

New? Soliveron Control Pictor File Portly Group PicCord 5p - 1459
Deservy Warren Hidge PLOVer Rate Criv
Unit In Six 1986 - 1292 3 (8AM89)
Dement Group Politings PicCord 5p - 80
Expedier Leleuris PicC. 7.5% Che Cum.
And Pri 21 - 193 3
Fergotrock Group PicCord 10p - 85
George Brewery PicCord 25p - 317 (7Au86)
Heavitree Brewery PicCord 10p - 85
George Brewery PicCord 25p - 317 (7Au86)
Le Crouset S.A. She Find 36 - 180 2 3 3
Course Concup Inc She of Cord 6kt 80, 10
(Rest Transfer) - 180
8. 75 (New Cord. 7Au86)
Savage Group PicCord 3p - 140
Thorpec Group PicCord 2p - 141
Thorpec Group PicCord 2p - 144
2001/05 60p - 839
United Group PicCord 19 - 25 4 7
Westerlaster Scarffolding Group PicCord 10p - 110 7
10p - 110 7 10p - 1107

4

71% 1st Mith Dab Six 91/96 - 284
(Shut0)
9% 1st Mith Dab Six 98/2001 - 291
5% 1st Mith Dab Six 98/2001 - 291
5% 1st Mith Dab Six 98/201 - 2892 8 %
1st Last PLCSW 1st Mith Dab Six
86/51 - 28976
75% 1st Mith Dab Six 86/81 - 282% 6
1st Mith Dab Six 86/81 - 282% 6
1st Mith Dab Six 86/81 - 282% 6
1st Mith Dab Six 2026 - 283% 6
1st Mith Dab Six 2026 - 283% 6
1st Mith Dab Six 97/85 - 2866 76
75% 1st Mith Dab Six 97/85 - 2866 76
75% 1st Mith Dab Six 97/85 - 2866 76
1st Mith Dab Six 97/85 - 2867 76
1st Mith Dab Six 97/85 Cam Pri 21
99% 100.100 (Shut05)
Lynton Property Reversionery PLC 105% 1st Mith Dab Six 97/7 - 285%
1st Mith Dab Six 97/7 - 285%
1st Mith Dab Six 97/87 - 2864 76
1st Mith Dab Six 97/87 - 2112/266 10p = 110 7 Wyswale Gardent Centres P£C8.5% (Net) Criv Cum Red Prf £1 = 142 (\$Au89) Xira-Vision PLC Ord N£0.05 = 1£1 p 85 7 The Third Market Appendix No of bargains included:201 Kromagraphic PLCOrd Sp. – 19
Warranta to sub for Ord of Sp. – 7
Medicano PLC Warrants to sub for Ord Peddington PLC Ord Sp = \$5 6% 7 72 83 12% 1st Map Deb Stk 2017 - £112% 8% Una Ld Sik 200005 = 2112849 106% Una Ln Sik 2002 = 282% (Asu89) 85% Crv Ura Ld Sik 95/2000 = 2187 9 Rule 535(2)

No. of bargains elected for 10.14
African Gold PLCOrd for 10.14
Amateanated Netal Corp PLC5.4% Cum
Prf 2) = 20.35 (7Au89)
Bartington Managereart(C)International
Income - 21.95 (AAu89)
Charriel Islands Corps (TV) Lidded Sp =
10%
Control Corps (TV) Lidded Sp =
10% (7Audi)
Merhale Moore PLC 10%% 1st Mg Oeb
Six 2020 — E95 %
Merin Interretional Properties LoCum Merin International Properties Ld Cum Red Criv Pri \$1 - 57 (((Au88)) Pled Chir Pri E1 - 57 (Blade)
P & C Property Holdings Ld 5% sist Mig.
Deb Sek 89/94 - 287 % \$\Phi\$
7% 1 six Mig Deb Sek \$772002 278%\$ Clucas Cleaners LdOrd £1 = £2½ Corleter Trust LdOrd £5p = £0.9 (8Au80) Douglas Cas Light Co LdOrd £1 = £4.1 (7Au69) 278749 set Hidge PLC 5.25% (Net) Circ Cura Non-Yng Prf 21 = 101% 2% 9%% 1st Mitg Deb 8tk 2011 = 292% New 9%% 1st Mitg Deb 8tk 2011 = 292% % of South East Ld EX% Une Ln 90k 67/97

Dougles Gas Light Co Leford \$1 - £4.1
(7Au59)
Smerald Energy LdOrd 1p - £0.97 (IAu59)
Five Arrow LdOrd £1(67) - £3% (7Au59)
Five Arrow LdOrd £1(67) - £3% (7Au50)
Fredericks Place Holgs PLCOrd 20p - £0.08 (EAu59)
Chr Red Corn Pri 25p - £0 28 (EAu59)
Gale(Gaorge)\$ Co LdOrd £1 - £7,1 7.16
(7Au50)
Glios PLGS% Criv Pri 21 - £0.195©
0 2©
Generals PLCOrd £20.02 1£2
- £0.49 p 43
Greenster Hossis PLCOrd £20.02 1£2
- £0.49 p 43
Greenster Hossis PLCOrd 10p - £0.73
(\$Au59)
Herriey Bahrd PLC Ord 5p - £0.6 (AAu59)
Johnbrigs Bros LdOrd 25p - £3.45
Jensey Gas Co Ld3% Cam Pri £1 - £0.24
(\$Au59)
Jensey Raw Westernortes Co Ld5% Cam
Pri £5 - £2 (£4.089)
3½% Cam 4th Pri £5 - £1.4 (£4.089)
3½% Cam 4th Pri £5 - £0.0 (\$Au59)
Mith Britannia International Ld Jepan - 253 (AAUS)
Property Hdg & Inv Trust PLC7% 1et Mig
Deb Sit 9035 - 278% P
Rush & Tompkins Group PLC7.5% Cnw
Cum Red Pri 21 - 145 (AAUS)
Sconish Mehropolise Property PLC105% Cum Red Pri E1 – 145 (Aud8)
Sconish Mehropolium Property PLC 10%%
1st Ang Deb Sit 2016 – 136
Stough Estates PLC 75% 1st Deb Sit
85/80 – 196% •
Speytowk PLC 9.79% Cum Red Pri 2014 Tope Estems PLC:10%%, 1st Mag Deb St 2012/16 - 232% (AAuff9) Town Centre Securities PLC:10%% 1st Mag Deb Stk: 2021 - 203 (AAuff9) 9% Crv Une Ln Sex 202000 - 2247 Western (Ground Pents: LdS%% 1st Mig Deb Salq56/91) - 285 THE PLC10K% 1st Map Deb Stk

**Plantations** nnia International Ld Jepai MMM Shannia International Lo Japan
Income & Grown - E2.337
Magnet Group PLC"A" Cnv 1p E0.078759
"5" Cnv 1p - E0.046 (BAU69)
BASHchester United Porthell Club Ld Ord
E1 - E7 (7AU69)
Merratt Hidge PLC Ovd 10p - E1.9
North West Exploration PLC Ord 20p - 27
(BAU69) No. of bargains included 6 Anglo-Eastern Plantations PLCW/mants to sub for Ord = 33 (4Au89) Beradio Hidgs PLC5p = 40 (8Anili) Chillington Corporation PLCOid 25p = 16 (8Au89) Warrants to sub for Ord = 39 (4Au89) Warrants to sub for Ord = 39 (4Au89) North West Exploration PLCOrd 20p = 27 (Aut89)
Owt Creek Investments PLCOrd 5p = 20.07 (Aut89)
Paramount PLCOrd 25p = 20.175 0.18
Prolitic Int Management(Guernstey) LIK
Conv & Bend Fund — 210.29 (Aut89)
Rangers Football Cuto PLCOrd 21 = 255
Setton Hotel Ld Ord 21 = 254
Shapterd Neethel PLC'A' Ord 21 = 26.62
6.7 (Aut89)
Southern Newthelpers PLCOrd 21 = 234
3.35 3.38 3.39 (Aut89)
Son 06 Britain Ld Ort Royalty 5tk Units 1p = 27.7 (Aut89)
TR Property Investment Trust PLC51/16
1. Dob Sik 82782 = 2655.64
Tradpole Technology PLCOrd 10p = 21.22
(78489)
Transferentenielle Co PLCOrd 250 = Consumptions Deviation Services 124

Dunico Plantations Ld8% Cum Pri 11 - 57
Hidong Estate PLCOrd 10p - 130

Restate of Berthed SMT - \$443% (\$4469)
Neurophough Plantations PLCOrd 10p - 35
(7Au89)

Railways No. of burgeins intiluded2 

mig Bds (2883) (Cpn 212) — £404 Shipping No. of bergains included \$10 Bergesen d-y AS'B' Non Vig She NKS .-NK3194 Weetabl Ld'A: Non.V Ord 25p - 25.3
(44.089)
Weetabnamplow Succourse Co PLC Ord
25p - 25.2 (84.089)
Yases Bross Wire Loopes PLC Ord 25p 22%
RULE 535 (4) (a)
Bargains marked in securities
where principal market is outside
the UK and Republic of Ireland.
Quotation has not been granted in
London and dealings are not
recorded in the Official List. NGS199 NFC PLCVar Vig Ord 5p - \$4.1 p 254 5 5 6 256 7 257 ½ 8 0 %; %; Paninguiar & Oriental Steam Nev Co Warrants to purchase Old Six - 212 7

Utilities No. of burgains included 18 GTE Corporation Com Set \$0.10 - \$59.75797 (4A.89)
Jersey Electricity Co Ld "A" Ord £1 - 420 (8A.89)
Jersey Electricity Co Ld "A" Ord £1 - 420 (8A.89)
Hambester Ship Canel Co5% Perp Pri £1 - £1.4% 14% (8A.89)
Mersey Docks & Harbour Co6%% Red Deb Ski 94.997 - 270%
55% Red Deb Ski 96.99 - £72 (8A.89)
US WEST Inc Shi of Com Sik of NPV = £44.7%

Water Works VYCAUCT VYOTRS
No. of bengains Included 4
Bournemouth & District Water Co 10%%
Fled Deb Six 1995 - 294%
Brising Waterworks Co
4.994(Fmty7%Max)Cone Ord Six - 2620
(7Au69)
3.594(Fmty 5%)Come Pri Six - 2640
(9Au69) 3.054(-1915 5-5).0018 PT Std. - 1040 (39.489) Oire Valley Water Co A. 754(-1916) 1054(-0015 5th. - 21000 (74.089) 2.854(-1914 45).Cone PT Stk. - 21050 (34.089) 10% Red Deb Stk 95/98 - 258%

10% Red Deb Sit 96/98 - £89% (BAu69)
East Worcestershire Waterworks Co
12%% Red Deb Sit 84/98 - £103 %-Ф
Easter Water Co 11.50% Red Deb Sit 84/98 - £103 %-Ф
Easter Water Co 15.50% Red Deb Sit 84/97 - £100 (9Au69)
Lee Valley Water Co 5.5% (Pmly 5%)Ord
Sit - £500 50 (\$Au69)
Newcastle & Gatesheet Water Co 5%
Cone Deb Sit - £47Ф
North Surrey Water Co 7% Ord Sit - £810 (4Au69)
3.5% (Pmly 9%)Ord Sit - £810 (4Au69)
3.5% Pri Sit - £75 (4Au69)
9.5% Red Deb Sit 94/96 - £92 (\$Au69)
9.5% Red Deb Sit 1986 - £94 (\$Au69)

South Staffordshire Waterworks Co 4.9%(Fmly 7%)Ord Six Clase 8 - 2810 (SAU89) 71% Red Deb Six, 91/94 - 284 %- 49 Sunderland & South Shields Water Co 71% Red Deb Six 91/93 - 2875/49 71% Red Deb Six 92/94 - 285 (7Au89)

Amoof Expln. 879 (9/8)
Aust. Foundation inv 68
Severly Enterprises 589
Boral \$1,85 43-03337
Churchill Resources 89 (8/8)
City Development; SS4-77797
Community Psychiatric Centers \$21,25 (9/8)
Concer Aust. 0.59 (4/8)
Cultus Rs, 11, ASC 269
Dulker-Exploration \$2.5 R10.9 (9/8)
Email Ord Stk. 24 AS4\_542
Harland Lighn it) Co £15 (8/8)
Nexcel Corg \$29.5 29.759
Highreid Steel & Vanadium \$4.955.02
K20.45,20.86
Hunter Rs. 89 (8/8) R20.45.20.86 (M/D)

R20.45.20.86 (M/D)

Keystane International \$18.625.16.75e

Killinghall Tin (M/alaysia) Berhad Ord

MS3.6341.1 (9/8)

Kasia Skilm Rubber MS2.1. (9/8)

Magellan Petroletum ASI. 945 (8/8)

Malaystan Airline System MS8.7435

McCarthy Group £2.1 (8/8)

Mount, Martin, Gold Miles 25 (9/8)

Mount, Martin, Gold Miles 25 (9/8)

Mount, Martin, Gold Miles 25 (9/8)

Mount S21.625e (4/8)

Morth Filinders Miles AS2.275 (8/8)

Orlentel Petroleum & Minerals '8'

S0.00195e 16/80

Orlentel Petroleum & Minerals '8'

So.00195e 16/80

Orlentel Minerals S1.6256

Orlentel Petroleum & Minerals '8'

So.00195e 16/80

Orlentel Minerals '8'

Some Minerals (4/8)
Portman Mining ASO.031
Rampe Resourcts ASO.1 (7/8)
Regal Hotels (bidgs) 149 ASI. 73615
Setanger Cocounts 559 (4/8)
Sherritt Gordon Mines (S12.8756 (4/8)
Sloyatore Land SS13.46967 (7/8)
Sloy Line Explorat EZ.1
Stone & Webster Inc. \$45.59 (9/8)
Strategic Minerals Corp ASO.6 (7/8)
United Oversess Land SS2.63
Victoria Petrolsom ASO.1287 (9/8)
Winsor Ind. HKS8

By Permission of the Stock Exchange Council

Tedpole Technology PLCOrd 10p = 21 (7Au89) Trivialise(Denie) & Co PLC Ord 25p =

Ampol Expin. 874 (9/8) Aust. Foundation inv 68

E2.436 2.45 (BAUBB) Transadentic Hidgs PLCCINI 50p = £3% 9.79 (7AuBB) Pti Ord 50p = £3.15 (7AuB9) Neetabbi Ld"A" Non.V Ord 25p = £5.3

### RETAILING

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> Jonathan Wallis on 01-873 3565

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### **LONDON STOCK EXCHANGE**

## Equities firm after confusing session

THE UK stock market rounded off yesterday's session, which was beset by confusing and often conflicting pressures; with a firm performance in the final hour as it moved into the new equity trading Account. Share volume increased significantly and the market showed resilience in the face of the coming week's daunting list of data on the domestic economy. During the session, market indices moved sharply in both directions, following develop-ments on economic fundamentals and also in the takeover arena which dominated investment ettention this week. The FT-SE regained the important 2,350 level towards the close, to

That Dealings: Jul 31	Aug 14	Sep.4
Option Declaratio	- AUG 14	36p.4
Aug 10	Aug 31	Sep 14
Aug 11	Sep 1	Sep 15
Account Day: Aug 21	Sep Y1.	Sep 25

give e final reading of 2,354.2, e net gain on the day of 6.9 points.

The Index has put on 26.7 points last week for a gain of 48.2 over the two week Account. Yesterday's performance indicated yet again that there are very few sellers in a market huoyed up by the latest

spate of takeover moves - or Hoylake's £13bn bid for BAT mooted takeover moves. Industries; shares in BAT fell London tried to open higher heavily yesterday, closing 21 yesterday morning in the wake down at 836p.
The BAT news was balanced

of Wall Street's powerful per-formance overnight, but by the surprise disclosure that Kohlberg, Kravis, Roberts, of the US had filed for regulatory proved unable to sustain its initial optimism for long. Warnings from both the Bank approval to huy a stake in of England and the Organisa-tion for Economic Co-operation BTR, the UK conglomerate, a development which sent BTR and Development that .UK shares racing ahead. interest rates may need to stay The equity market overall high for some time discouraged

fell immediately by 8 points on hopes that rates might ease the FT-SE scale as traders struggled to come to grips with The takeover front was this avalanche of announceassailed simultaneously with the disclosure overnight that more than 200 US Senators and ments. It remained unsettled until London began to pick up hints that New York might be set for another rise, and then Congressmen had denounced

Wellcome firmed another 13

said one marketmaker.
Oils were quiet at the end of a week which saw the publica-

tion of results from the majors.

BP registered the highest turn-

over, 13m chares, as the shares climbed 5 to 301p. Dealers noted heavy trade in New

Analysts came away from a

meeting with the company yes-terday snggesting that BP would dispose of property and other surplus assets. "This should raise between £100m

and £200m, and we shall he raising our profit estimates accordingly," said Mr Alan

Thomas, analyst at Kitcat &

Analysts also believe that e

cost-cutting programme at the exploration and production division is likely after the cur-

Among financial stocks, a

downgrading from agency bro-ker James Capel caused Brit-

ish & Commonwealth to give

up some the gains achieved earlier this week in expecta-tion of the sale of its 55 per

cent stake in Woodchester. Mr Terry Smith of James Capel

has reduced his forecast for the

to £157m, because of this week's poor results from 40 per

cent owned London Forfatting.

and the worse than expected

trading performance at B&C's housing operations.
Royal Bank of Scotland fell 8

to 435p as donbts gathered over the credibility of the recent talk of a takeover hy Nomura,

the Japanese securities bouse. Standard & Chartered slipped

back 3 to 528p ahead of inter-

ims due next week.

Highgate and Joh rose 5 to
213p on further bid specula-

tion. The company's directors, however, firmly rejected the takeover talk, saying that they

have no knowledge of any

Foreign interest, particularly

from the US, helped Jaguar gain a penny to 392p while Rolls-Royce, slightly firmer at

190%p, thanks to buying of the stock in the option market. Elsewhere, engineering stocks had a nervous session: Smith Industries, with figures due next month, took a tumble

of 7 to 310p. Vickers fell 2% to

243p in the wake of profit-tak-ing and persistent bid rumours and Williams Holdings dropped 5 to 275p on the back of BTR.

ar ending December by £10m

rent review is concluded.

Aitken.

UK blue chips moved up as the latest US producer price and retail sales statistics appeared to confirm this favourable out-

on the Footsie had been translated into a gain of 7 points. This gain was in turn lost as Wall Street struggled to retain it early advance, and it was only as huying for the new Account opened that London prices hegan to move forward again. But market strategists sounded cautious, despite the final uptick in equities. On base rates, Warburg Securities warned: "Don't hold your breath; you'll be waiting until next Spring."

increased its stake in the com-

eeman rose 21 to 295p

making a rise of 35 on the week. The company took

strength from favourable press comment while its energy-sav-

ing products are seen as having a highly marketable "green" image, said dealers.

Brewing stocks enjoyed contrasting fortunes as Allied

Lyons firmed 8 to 536p in lively

trade hut Guinness shed 7 at 576p and Whitbread "A" lost 2

et 377p. The drinks team at

BZW says Allied Lyons are cheap at the current levels and

continues to rate the stock a

firm buy. Talk of imminent

corporate news again under-mined Ladbroke, down 5 at

316p on turnover of 2.5m

Shares in troubled furniture

retailer Lowndes Queensway

slumped again amid talk of imminent refinancing moves.

Lowndes closed 51/4 lower at

22%p. Mail order and high

street retailing group GUS saw its "A" shares drop 10 to 1078p,

the exact price at which an

investor sold a large chunk of stock on Thursday. In contrast, huyers continued to favour

Dixons before they go ex-divi-dend on Monday, the shares

ending the day np another 3 at

168p on turnover of 3.3m. Electrical leaders were quiet,

with Cable & Wireless, the

sharpest mover, a little worse

3 at 575p, well above the 566p low of the day.

pany to 20 per ceot.

mpilation Low High 87,34 87.32 87.54 83.75 (14/6) 105.4 50 63 (28/11/47) (3/1/75) 97.67 37.71 97.38 95.21 (13/6) 115/3) 1484.B 1972.0 1447.8 1972.0 Gold Mines 197.2 197.9 198.2 202.4 154.7 734.7 43.5 (17/2) 115/2/83) (26/10/71) 200.7 189.5 By early afternoon, the fall 2354.2 2347.3 2380.4 FT-SE 100 Share 2346.1 2341 5 1843.4 1782.8 2443.4 986.9 (3/1) (16/7/87) (23/7/84) Ord. Orv. Yield Earning Yid %(full) P/E Ratio(Net)(&) 4.01 8.61 Basis 100 Govt. Secs 15/10:26, Fixed int 1908. 9.59 12.57 6.65 12.49 6.61 12.54 Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83. ☆ N/I 12/42. 9.66 12.49 12.55 10.49 SEAO Bargains(5pm) Foulty Turnover(£m)† 29,832 33,020 1123,20 1132,28 30,755 32,905 454.7 416.1 27,803 957 65 28,341 1040 15 29,362 36,933 32,477 S.E. ACTIVITY Equity Bargainst Shares Traded (mi)t Gilt Edged Bargains 108.3 102.0 369.3 449.5 Equity Bargains Equity Value 5 - Day average Ordinary Share Index, Hourty changes Day's High 1971,7 Day's Low 1958 6 12 p.m. 1965,5 Open 10 a.m. 11 a.m. 1967.3 1960.3 1981.2 1 p.m. 1968.3 2 p.m. 1969.6 Gilt Edged Bargains 96.0 95.0 Equity Bargains N/A N/A N/A Equity Value N/A N/A N/A SE Activity 1974, (Excluding Intra-market business & O'seas turnaver, London report and latest Shere India. Tel. 0998 (2000) FT-SE, Hourty changes Oay's High 2354.9 Day's Low 2339.3 1 p.m. 2 p m. 2348.1 2351.5 3 p.m. 4 p.m. 2349.5 2351.7 Open 18 a.m. 11 a.m. 12 p.m. 2345.6 Strategic Investments had

### Cinema move hits **Cadbury**

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Cadbury Schweppes were sharply lower on speculation that US group General Cinema had tried to place its stake in the market at 380p but failed to find any takers. Cadbury fell as far as 398p at one point, before steady hnying for the new eccount helped the charee recover to 4080, down 19 on the day. Turnover was a busy 11m

It emerged eventually that the story of the ettempted stake placing was false, but not too far from the facts. The key to the muddle lay in the international convertible Cadbury bonds, 36m of which effectively make up part of the 18 per cent ofCadbury owned by General

In the past the policy of the US group has always been to offer holders of the bonds cash, rather than the equity, which General Cinema preferred to retain. As from now, however, it is believed General Cinema will be offering bolders of the Cadhury bonds shares, a move which would effectively dilute the US group's holding.

Two conclusions may be drawn from the fact that General Cinema is now prepared to reduce the size of its holding in Cadbury, said an analyst. One, it is obvious that General Cinema will not itself bid for Cadbury, and two, it appears that General Cinema has been unable to find a buyer for the Cadbury stake, :

### Boots senses victory

The not unexpected news that a leveraged buy-out will not be organised to save Ward White from the clutches of Boots's bostile £900m bid had the inevitable impact: Ward White shares dropped 10 to 446p, while Boots, after weakening initially, recovered to end up 2 at 296p as the market set aside its misgivings about

The Ward White price fell far enough to allow Boots to pick up more stock in the market by offering 445p cash for immediate settlement. By the close Boots had acquired another 7.8 per cent of its target, to take its bolding to 19.8 per cent. Total turnover in Ward White was 24m shares, and in Boots

Most analysts believe that Boots will now be able to clinch victory. It is unlikely that Ward White will be able to find another route to freedom, either hy organising some sort of management led break-up or recapitalisation. Equally, it is thought unlikely that a white

knight will arrive on the scene. Ward White is now virtually out of time for the issue of any new finencial information, reminded one researcher, who thought that Ward White's last chance will be to present a detailed earnings forecast and, say, a three-year business plan before the deadline, and hope that it is enough to persuade shareholders to stay loyal.

#### BTR excitement

Analysts had a hectic morning trying to uncover the implications of the filing for purchase of no to 15 per cent of the BTR equity by Kohlberg, Kravis, Roberts (KKR), the US break-up specialist.
BTR shares soured by more

than 60p as the immediate market response was to predict an all-out hid for the UK conglomerate. But such suggestions soon lost favour, and the shares slipped well off the top to close a net 35 up at 454p. Turnover was a powerful 33m

"Almost certainly not a hid situation," said Mr Angus Blair of Kitcat & Aitken. KKR has a range of options open to it, but e bid for BTR appears the least likely, since it would be a very expensive move and, with the BTR management widely acclaimed for its efficiency, easy pickings via a break-up would be hard to find. The market believed a more

probable ontcome to yesterday's surprise development could be an agreement by BTR and KKR on joint break-up ventures in Europe or the US. Interim figures from Unilever initially caught market-makers hy surprise. They marked the price up to 638p before closer examination of the statement revealed £27m of profits due to a property dis-posal. The stock eased back to close 4 better on the day at

The pro-tax profit of \$445m was still at the top of expectations, and analysts fine-tuned

### FT-A All-Share Index 1150

this autumn

**Equity Shares Traded** 

400: 200

their profit forecasts upwards. Mr Mark Duffy, at Warburg Securities added that 227m to his figure, which is now £1687m, while Mr Carl Short, at Kitcat & Aitken is going for

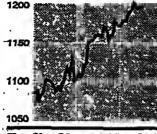
their seemingly inexorable rise, closing 3 higher at 241p on active turnover of 7.8m shares. Nomura Research dated the stock a hold in the wake of the acquisition of Consolidated Gold Fields, Nomina believes Gold Fields could contribute around £16m to Hanson in 1989/90 if the mining group is retained in toto. If ConsGold is dismembered, then as much as £3.4bn could be raised, accord-

METH THERES (19 CANADIANE (5) BANKE TO BEENERS (4) GANADIANE (5) GANESCALS (5) STORES (1) ELECTRICALS (5) STORES (1) ELECTRICALS (5) PROGNEERING (7) INOUSTRIALS (25) Alexandra Winner, Apolio Medis, Assoc. Brill, Congulators, Bett, Brill, On Winner, Eth Nylex, CSR, Capito Gro. Cookedo, Hanson, Ob. 5766 CV. P., Horrey, Huntingdon Int'l, Macturians, Parkield Ord, Reuters, Sothater Hidra: Inc. Cleme

(c) PAPENS (S) PROPERTY (S) TEXTS ES (1) TRANSPORT (S) TRUSTS (SS) CLE (2) CHEMICAN TRADERS (1) SINES (T2). REW LOWS (4). BINLOSKOS (S) CHEMICALS (1) STURES (S) SLECTEICALS (7) BINLOSTRALS (12) AUMISSO, ATRIOU TSL. BLP. Compbell A ATMISTOR, Delarry, Dodphin Pack, G.C., FLOOTING & FLIT., CISTANOVIC, Rediant Metal, (S) GTA, Sevaga, Usc. Quernetos, LESSURE (2) MOTORS (3) PAPENS (3) PROPERTY (1) TEXTRES (1) CLE (2) SENES (3) TRINED MARKET (1).

### RISES A

#### to 523p on further consider-ation of last week's US data on the effectiveness of its anti-Aids drug Retrovir. "It's no longer a speculative stock,"



Turnover by volume (million)

Jun Jul Aug

£1690m, up from £1677m.

London and New York bought ICI, largely for Monday's dividend, marketmakers said. The price closed at 1342p, up 34 on the day. Fellow chemical giant BOC rose 9, in sympathy, to 528p. Shares in Hanson continued

### NEW HIGHS AND LOWS FOR 1989

i		n Frid	L#Y	On the week			
	Rises	Falls	Same	Rises	Falls	Same	
ritish Funds	3	91	11	318	154		
orps. Dom. & Foreign Bonds	1	11	32	25	31	164	
dustrials	335	448	791	1,858	1,928	4,090	
inancial and Props	152	164	352	615	635	1,794	
As	30	18	44	107	124	233	
lantations	1	. 0	10	6	3	45	
lipeq	65	28	82	213	206	454	
thers ,	140	37	89	442	343	561	

	MARKE	, tar		7	
ND	FA	LLS			
0	n Frid	<b>#</b> Y	On :	the we	ėk
1305	Falls	Same	Rises	Falls	Same '
3	91	11	318	154	53
1	11	32	25	31	164
335	448	791	1,858	1,928	4,090
152	164	352	615	635	1,794
30	18	44	107	124	233
1	. 0	10	6	3	45

Blue Circle gave up early rises to finish unchanged at 271p in turnover of L8m as the company posted the formal offer document for Myson (232p). Press comment lifted Redand 5 to 5880 while late buying in RM Douglas recov-ered earlier losses brought 727 787 1,411 3,882 3,428 7,385 about by news that Govett

#### A well-telegraphed hnying delivery of foreign toxic waste order pushed Eurotherm to

Percentage changes since December 30 1988 based on

Agencies+	51.28	Insurance(Ufe) +	28.39
Food Retailing+	45.96	Electronics +	27.79
Conglomerates+	43.08	Food Manufacturing +	27.69
Motors+	40.23	5tores+	27.58
Health & Household Products +	38.59	Mining Finance+	27.56
Brewers and Distillers+	36.96	Oil & Gas+	25.97
Investment Trusts +	36.86	Gold Mines Index +	21,80
Other Groups+	34.84	Textiles +	21.16
Mechanical Engineering +	34.59	Banks+	19.99
Other Industrial Materials +	32.57	Insurance(Composita) +	18.87
Transport +	32.44	Publishing & Printing+	18.29
Consumer Group+	32.34	Financial Group+	16.03
Industrial Group+	31.66	Packaging & Pager +	17.B4
Leisure +	31.41	Merchant Banks++	15.53
500 Share Index+	31.13	Property+	14.70
Chemicals+	30.94	Metals & Metal Forming+	14.61
Building Materials +	29.97	Telephone Networks +	10.20
Electricals +	29.54	Overseas Traders +	10.10
All Share Index +	28.85	Contracting Construction +	9.98
Capital Goods+	28.43	Insurance(Brokers)+	3.91

### TRADING VOLUME IN MAJOR STOCKS

FINANCIAL TIMES STOCK INDICES

The following is based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm. Volume Citating Days COO's Price change Leass.
18 Eroop
14 FF C
Starts & Sciencer
Maries & Sciencer
Maries Bank
Mar. Deat. Bank
Mar. Deat. Bank Regal

379p in thin trade, before easing to close a net 12 better at

MBS slipped 3 to 37p after rises earlier in the week. Diversified manufacturing and contracting company Oakwood Group said it would report a loss at the interim stage of about 14m. The shares slumped 30 to 75p. Parkfield Group continued to advance on the back of the week's upgradings, clos-ing 14 better at 463p. Trafalgar House was helped

hy a hig buyer in early trade but ran into profit-taking duron profit-taking after recent ing the afternoon and ended 7 off at 394p, after having peaked strong rises. C&W closed down at 409p. An agency cross of 2.6m Yale and Valor shares left The excitement over KKR's

interest in BTR boosted other oft-overlooked conglomerates. BET rose sharply, touching 337p before subsiding almost as rapidly to close 6 better at 323p. Cookson peaked at 382p before closing 7 better at 378p. Speculative favourite, Medirace, quoted on the third mar-171p. Growing opposition to the

the stock a penny dearer at

ket, was well sought after for the new Account. It added 8 at

to the UK knocked 73 off the share price of Rechem which closed at 655p, it also hurt Caird which shed 11 to 563p. Activity in Asda options remained intense and a lete rush for the underlying stock on hopes of an imminent overseas hid saw the retailer's shares close 3% higher at 212p

manufacturers there was e return to favour for Booker, up 5 at 457p, and Ranks Hovis Macdongall, up 4 at 453p. WPP Group moved strongly ahead on the back of US buying. Ms Lorna Tilbian, analyst et Warhurg Securities, argued that the stock should be worth

on turnover of 6.5m. Among

at least a market rating, or about 780p. She also pointed out that the stock was now above the price of the rights issue in the summer of 1987, if the convertibles and warrants are taken into account. WPP closed 34 better at 760p, while the warrants jumped 21 to 186p. "Even the older sbarebolders must be smiling now." said Ms Tilbian.

Leading properties spent a day in the doldrums ahead of the three-week account which began et 3.30pm, Hammerson A drew some early huying interest but fell back to finish steady et 796p. Land Securities end MEPC were also unchanged, while Great Port-land fell 2 to 340p.

In the unlisted securities market Randsworth failed to inspire with pre-tax profits for the year of £7.64m (£6.58m) and a rise in net asset value to 318p from 224p. One dealer described the results as "irrelevant in the light of the pending 325p cash bid from JMB Realty," the private US company. Randsworth closed moved at 317p.

Cother market statistics. including the FT-Actuaries Share Index, Page 9

### LEADERS AND LAGGARDS

gencies+	51.28	Insurance(Ufo)+	2
ood Retailing+	45.96	Electronics +	2
onglomerates +	43.08	Food Manufacturing +	Z
Aptors+	40.23	5tores+	2
tealth & Household Products +	39.59	Mining Finance	Z
Prewers and Distillers+	36.96	Oil & Gas+	2
nvestment Trusts+	36.86	Gold Mines Index +	5
Ther Groups+	34.84	Textiles	2
techanical Engineering +	34.59	Banks +	1
Other Industrial Materials +	32.57	Insurance(Composita)	i
	32.44		1
rensport +		Publishing & Printing+	
onsumer Group+	32.34	Financial Group+	7
ndustrial Group+	31.56	Packaging & Paper +	1
+ +	31.41	Merchant Banks++++++++++++++++++++++++++++++++	18
00 Share Index+	31.13	Property+	14
hemicals +	30.94	Metals & Metal Forming+	1
fullding Materials +	29.97	Telephone Networks +	10
Jectricals +	29.54	Overseas Traders+	11
UI Share Index +	28.85	Contracting Construction +	9
epital Goods+	28.43	insurance(Brokers)+	

### BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Ylekl	Week	Mont
UK GILTS	13.500	9/92	107-04	-6/32	10.73	10.82	11.14
	9.750	1/98	98-18	-7/32	10.00	10.15	10.36
	6.000	10/08	98-17	-8/32	9.16	6.24	9.33
US TREASURY "	6.125	5/99	107-26	+ 14/32	7.96	7.99	6.00
	6.875	2/19	110-12	+51/32	7.96	6.04	8 04
JAPAN No 111	4,600	6/98	96,9204	-0.176	5.11	5.15	5.20
No 2	5.700	3/07	108.4551	-0.201	5.01	5.06	5.04
GERMANY	7.000	2/99	102.5500	+ 0.200	6.62	6.87	6 62
FRANCE BIAN	6.000	1/94	98.2259	+0.285	B.47	8.52	8.84
DAT	6.125	5/99	99.1000	+0.470	\$.25	6.36	8.57
CANADA .	10.250	12/98	105.3000	+ 1.300	9.22	9.25	9,31
NETHERLANDS	7.000	3/99	100.3700	+0.140	6.94	6.98	7.04
AUSTRALIA	12,000	7/99	94,7493	+0317	12.65	13.00	13.42

Prices: US, UK in 32nds., others in decima Technical Date/ATLAS Price Source.

**COMMODITIES** 

### WEEK IN THE MARKETS

### Coffee sold down to fresh low

AFTER MARKING time for most of the week coffee futures prices sank to fresh 8-year lows yesterday under pressure from a new weve of Brazilian sales and expectations that beavy, cut-priced offerings from Colombia and Mexico (respectively the second and fourth biggest suppliers to the world market) would soon be weighing on the

market. As Brazilian exporters had held back from the market ear-lier in the week prices had been hovering comfortably above last week's lows. By Thursday, nowever, London dealers were reporting that the Braziliana appeared to have embarked on "another selling spree" and the November posttion on the London futures market dipped by £18 to £762 a tonne. That trend continued yesterday and the price touched £733 before closing at £741 a tonne, down £28 on the

"Brazil has been moving coffee as though there's no tomorrow," commented one London trader. "Charts are looking very bearish." And others suggested that the world's big-gest producer might have sold as much as 5m bags (60 kg each) since export registrations opened last month following the suspension of International

And the second s

quota restrictions in June. In Bogota, meanwhile, Mr Jorge Cardenas, general man-ager of the Colombian National Federation of Coffee Growers, said that he expected heavy shipments to result in the fed-eration's etocks falling from between 8.4m and 8.5m bags et present to about 7.7m bags at the end of September,

Cocoa futures had a quieter time following the excitement generated by last week's news of a 500,000 tonnes 1989-90 crop sale by the Ivory Coast to at least two merchants (Philipp Brothers of New York and Sucres et Denreés of Paris). With no fresh news appearing traders seemed to be coming to the conclusion that the response to that news (a £42 rise on the week in the December position) might have been overdone and by last night's close the price had retreated £20 to £927 a tonne, having touched £920 earlier in the

Sugar prices also surren-dered some of their recent gains, although renewed talk of Indian buying prompted a modest rally in midweek. Not all traders were convinced by this talk — "Nothing is confirmed and any market rise seems to be put down to Indian the suspension of International buying, snorted one — but it Coffee Organisation export nevertheless remained an

underpinning influence. And expectations of Indian purchases did not appear to he severely dented yesterday when Mr Sukh Ram, the Food and Civil Supplies Minister, told the New Delhi Parliament that the country had sufficient that the country had sufficient stocks to meet demand in spite of a disappointing harvest.

"I think they have to import sometime," commented an offi-cial at the Indian Sugar Mills Association, "but how much and when we just don't know." The association has suggested that India should import between 300,000 and 500,000 tonnes to bridge the domestic supply/demand gap.
The London daily raw sugar

price was fixed yesterday morning at \$346.90 a tonne, down \$16 on the week, while the price for whites was down \$10 at \$496 a tonns. The main excitement on the London Metal Exchange

reflected concern about the possible impact of a Peruvian miners' strike scheduled to begin on Monday. Peru accounts for about 11 good ground hut LME tin per cent of the non-communist prices fell to the lowest level world'e zinc supplies and more than 5 per cent of the copper, and that balance was apparent

in the market reactions to the

strike threat. The cash zinc price oo the LME ended \$45 higher on the week at \$1,690 a

tonne (having dipped to \$1,620 earlier), while the cash copper price put on £36 to £1,659.
With the continuing stoppages at Papua New Guinea's Bougainville mine and Canada's Highland Valley (both 180,000-tonnes-a-year operations) providing a firm hackground, the market had earlier shrugged off a sharp and unexpected rise in LME warehouse stocks, which had

Yesterday Highland Valley negotiators were reported to have made progress on nonmonetary items in talks aimed at ending the 5-week-old stoppage by 1,200 workers. But Mr Poul Hansen, the company's president, said the two sides remained "very far apart" on

been falling steadily.

A sharp fall in LME warehouse stocks put lead on the upward path and despite a midweek setback the cash position closed yesterday at £436 a tonne, up 16 on the week. Alnminium and nickel also gained since the market's relaunch at the begining of June, with the cash position down \$535 at \$8,875 a tonne and three months \$400 down at \$9,045 a

Richard Mooney

#### Revenue investigations network

■ ERNST & YOUNG has appointed Mr Ken Duxhury as head of its newly formed revenue investigations network. He was deputy head of the Inland Revenue's enquiry branch, and head of special investigations covering large scale tax avoidance.

Mr Andrew Parker has been eppointed a director of LCP Developments, and Mrs Margaret Hopkins becomes marketing director of LCP Properties.

Mr Gavan Sellers has been appointed a non-executive director of DZUS INTRNATIONAL. He is a Senior executive with -Grosyenor Venture Managers, major provider of the equity finance which snabled the management of the UK subsidiary to mount a buy-out from the US parent.

■ OCEANIC FINANCIAL SERVICES has promoted Mr Mark Avary from senior vice president to director, and Ms Diana Noronha from vice president to senior vice

Mr Peter Mansell has been appointed general manager of AMERICAN LIFE INSURANCE CO, UK. He joins from the Royal Insurance Group.

BRITISH TELECOM has appointed Mr Chris Earnshaw as director, network, to take over from Mr John Tippler who retires at the end of the Year. Mr Earnshaw was general manager.

■ Mr David Grogan has been GEORGE, ORRIDGE.

■ JANE'S INFORMATION GROUP has appointed Mr Iain Duncan Smith as product sales director of Bellwinch.

Granada Computer international posts



Mr Conor Keboe (left above) has been appointed chairman and managing director of GRANADA COMPUTER SER-VICES INTERNATIONAL Succeeding Mr Derek Lewis, who is managing director of the Granada Group. Mr Kehoe was deputy chairman. Mr Kleus Rupert Busche (right above) becomes marketing director. He was managing director of Masstor GmbH.

Mr Mark Craze and Mr Simon Rees have been appointed directors of TMD ADVERTISING, and Mr Kevin Hurdwell has been promoted to associate director from September 1.

■ Mr A.D. Wallis, managing director of VISTEC GROUP, has been appointed chief executive in succession to Mr A.L.R. Morton who continues as executive chairman.

**■ KLYNVELD PEAT** appointed Mr Rod Dowler as chairman of its European high technology practice. He was chairman, high technology practice, Peat Marwick McLintock, UK member of the

■ Dr Volker Mayweg has been

Corporation's headquarters.

New York, and succeeds Mr

Colin Murdoch in September

in an exchange of jobs, although Mr Murdoch will be

going to the new corporate

adquarters at Fairfax,

appointed manufecturing director of MOBIL OIL CO. and manager of the refinery at Coryton, Essex. He is European manufacturing co-ordinator at Mobil

**APPOINTMENTS** 

ETOUD.



Captain John Kultschar, resident manager in Port Stanley, has been made a director of STANMARR, the Falklands company co-ordinating the Hull-hased Marr companies' developments in the South Atlantic. The company owns the 1600-ton Hill Cove, the first freezer/ factory trawler to be registered and based in Stanley for year-round operation in the

Mr John Martin-Law bas been appointed director and general manager of FEDERAL EXPRESS's new Systemcare home delivery company, which has just won a £50m/six year contract from Littlewoods.

Mr Christopher Philip Nurse bas been eppointed group chief executive of J. HEWITT & SON (FENTON), Stoke-on-Trent. He was manager, corporate

advisory department, County NatWest, Birmingham

M ARENSON INTERNATIONAL St Albans. maker of President office furniture, has appointed Mr Roger Gage as director of operations, a new post. He was parts director at Lancer Boss.

SILVER TROUT, Romsey. Hants, producer of pink trout and salmon, has appointed Mr Max Weeden as managing director.

Mr W.J. Meredith and Mr D.J. Monks have been appointed directors of WOOD GUNDY INC.

■ Dr Neil Cross, Mr Ewen Macpherson and Mr Derek Sach have been appointed executive directors of 3i



FORD SELLAR MORRIS PROPERTIES has appointed Mr Bryn Micklehurgh (obove) as finance director. He was ficance director of Canada

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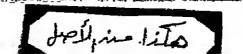
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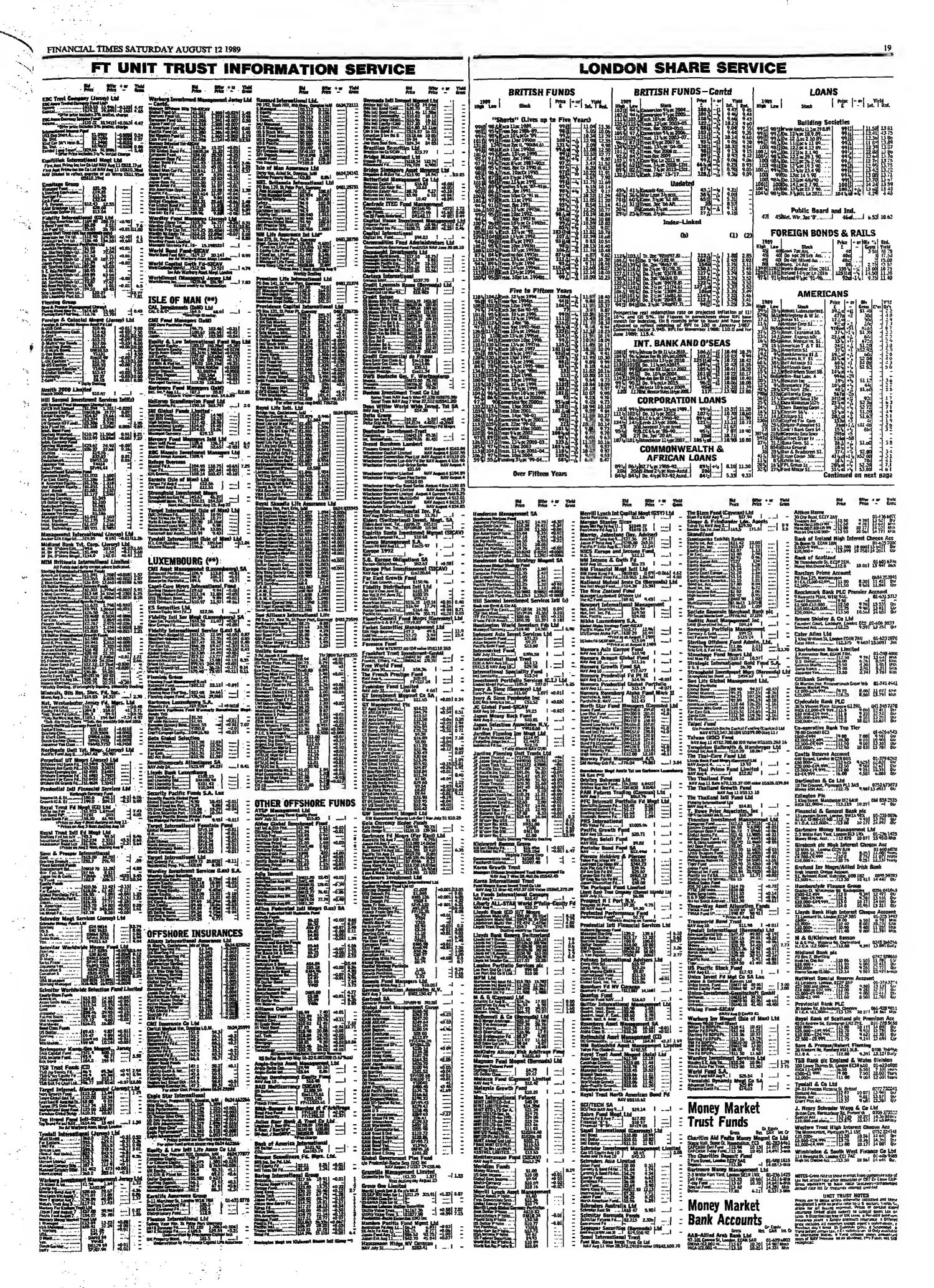
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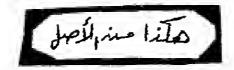




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### FINANCIAL TIMES

Weekend August 12/August 13 1989



### French air traffic strike threatens peak weekend

By David Churchill in London and George Graham in Paris

STRIKE action by French air traffic electricians threatens to delay thon-sands of British holidaymakers leaving for Mediterranean destinations today, sands of British holidaymakers leaving for Mediterranean destinations today, at the start of one of the peak week-

ends of the holiday season.

The strike, which began on Thursday night, appeared to have little impact yesterday on the bundreds of charter flights leaving British airports. Airlines said that scheduled services were unaffected. But the industrial action, due to end on Wednesday morning, is likely to lead to a cumulative break-down in air traffic control computer

capacity. London Gatwick, the UK's main charter boliday airport, expects to han-

The two trade unions calling the strike, which between them represent about 46 per cent of the airport electri-cians, claimed yesterday that the strike was 100 per cent effective in two air traffic control centres, Athis-Mons and Aix en Provence. The electricians are responsible for maintaining the air traffic control computers used to moni-

tor aircraft in French airspace.

Thomson Holidays, the UK's largest tour operator, said the majority of its flights left on time yesterday and there were no delays caused by the French

dispute.

Redwing Holidays, the third largest tour company. 50 per cent owned hy British Airways, said that out of 30 flights during the day yesterday there was only one delay caused by technical problems with an aircraft.

Mr Keith Webber, Redwing's marketing director, said: "It has been one of the best weekends of the summer so far for us in terms of having few flight delays."

The biggest problem yesterday was at Gatwick airport, London, when a BA Jumbo jet bound for the Caribbean was delayed for 26 bours as a result of technical failure. Another aircraft was flown from Heathrow to Gatwick to

pick up the stranded passengers. Tour operators and airport administrators, however, were reluctant yesterday to hold out hope that there would be no more delays before the weekend is out. The UK's Civil Aviation Authority

said yesterday that "restrictions on the number of aircraft allowed to enter French airspace are expected to be slight at first, but are likely to build up during the weekend leading to delays." CAA officials are working closely with the airlines and air traffic controllers throughout Europe to take advantage of all "slots" — the take-off and landing opportunities for aircraft and are re-routing flights away from French airspace where possible.

Japan's new

PM rejects

By Ian Rodger in Tokyo

calls for

election

### Corporate judo from BTR

BTR's response to the looming BTR's response to the looming approach of KKR looks characteristic in its subtlety. There is no telling what KKR's intentions are, but its appearance on the share register is plainly unsolicited. Rather than pushing it away. Sir Owen Green appears to be using the judo technique and pulling instead. Since BTR is an acknowledged expert on industrial manageexpert on industrial manage-mant and KKR on financing techniques, why not get

together?
The approach starts from the The approach starts from the reasoned assumption that, in its first venture in Europe, KKR aims neither at hostile takeover nor at passive investment. BTR is tightly run and has a loyal institutional following, so it is unlikely that the premium needed for control would be recoverable. Passive investment, on the other hand, would not produce the kind of return KKR's investors have come to expect.

come to expect.
Faced with this uncertainty, Faced with this uncertainty, Sir Owen is evidently out to regain the initiative. In particular, KKR's arrival chimes in with general ideas on financial structure which BTR has been developing in a semi-public way for some time. Chief among these is the thesis that equity is old hat and that the risk characteristics of debt may have changed permamay have changed perma-may have changed perma-nently for tha better. In a world dominated by leverage and cash flow, the way to close the gap between stock market valuation and intrinsic worth might be to deploy a battery of new debt instruments on the

new debt instruments on the shareholders' behalf.
Alternatively, BTR might seek KKR's help in spinning off equity in subsidiaries, on the BTR Nylex model, or the two might look for new acquisitions as joint venture partners, or whatever. On all of this, KKR is holding its councel But the a year cent jump in sel. But the 8 per cent jump in BTR's share price yesterday looks a sensible response by the market. From Monday, KKR will be free to purchase up to its limit, at a current price of almost £1.2bm, there is also the outside chance that it may take more hostile action later. Even if nothing comes of it, the market at least has the momise that Sir Owen is bend-

BAT/Hoylake It is not surprising that the London stock market has trouble keeping its eye on the ball when it does not fully grasp the rules of the game. The US dimension of Hoylake's bid for

ing his fertile mind to the task

FT Index rose 3.2 to 1,363.8.

BTR

BTR

Shere price relative to the

FT-A AS-Share Index

110

price, news of restructuring at MFI, the collapse of the syndication for the Magnet buyout and confirmation that Ward White has failed to assemble a buyout to fend off Boots. But one should be wary of sweeping conclusions, either about LBOs or the retail sector.

Within retailing the damage is Share price relative to the FT-A All-Share Index

BAT involves local and rela-tively unfamiliar American issues and personalities. Hence

the market's over-reaction to the predictable news about Hoylake's problems, first with state insurance commissioners and now with agitated legisla-tors in Washington DC. Yester-day's 21p fall in BAT's share price was typical, the political flak is noteworthy, but it is hard to see what actual powers the US Congress has to inter-

This is not to say that Hoylake does not have genuine regulatory problems in the US. It does but they centre on a specific issue, the limits of states' rights to police insur-ance company acquisitions. The laws in question date only to the late 1960s and, until BAT hid for Farmers, had rarely been applied to hostila take-overs. It is scarcely surprising that under-staffed insurance departments in small Western states dislike being bumped into precedent-setting action hy foreign carpetbaggers, or that the London market finds the whole thing confusing.

Hoylake should adopt a more conciliatory attitude to the commissioners and in London, it should explain at much greater length the regulatory issues its bid has raised. Sir James Goldsmith's assertion that all state commissioners are under the control of the insurance industry just will

Retail buyouts

The gruesome tale of leverage in the retail sector gets worse by the day. Yesterday saw a further slump in the Lowndes Queensway share Within retailing, the damage is still mostly restricted to big-ticket items; and among LBOs, there is no evidence of distress yet in the manufacturing sec-

As for Ward White, the bat-tie is plainly over. The ques-tion is rather what manage-ment's failure to mount a challenge says about the price Boots is paying. On the face of it, the only edge Boots has seems to consist of the lower cost of its money and any overcost of its money and any oper-ational benefits — EPOS, expertise in own branding and so forth — which it can con-tribute at the outset. Alternatively, one could argue that Boots has timed things per-fectly, with the DIY sector at rock bottom and the LBO movement to disarray, and in the subjective world of accounting it should be able to escape earnings dilution even in year one. But its new prize should cause it an anxious month or two all the same.

#### GrandMet

Grand Metropolitan's contri-bution to the John Elliot fund for buying his own company is plainly a symbolic gesture. given the small sums involved. The problem lies in grasping, the symbolism. After all, the Harlin bid for Elders is not designed to succeed, merely to strengthen Mr Elliot's grip on the company at minimum cost.
GrandMet says the money
betokens its commitment to
the Fosters brand. But as brewer of 60 per cent of the Fosters produced in the UK, it is pretty haavily committed

Perhaps the gesture has more to do with wider developments on the brewing side. GrandMet insists that it has not finally decided to sell its Watneys brewing assets and that it has no particular lean-ing towards Mr Elliot as a pur-chaser. Nor is it clear whether the long awaited flotation of Elders' brewing interests arouses GrandMet's interest as a possible stakeholder. But something is plainly afoot; it comes as no surprise to students of Mr Elliot to find that the grotesquely tangled Harlin/ Elders deal has its repercussions on the other side of the

## Magnet buy-out in loan setback

BANKERS TRUST, the US-based bank, yesterday with-drew its syndication of £532m in loans used to finance the management buy-out of Magnet, kitchen and bathroom retailer, blaming the reluctance by bankers to lend money to highly leveraged companies in the home products retailing business.
In a further set-back for the

UK leveraged buy-out business, which has contributed to much white has contributed to much recent takeover activity. Ward White, the DIY and motor parts group which is facing a £900m bid from fellow retailer Boots, was forced to abandon attempts for a rival buy-out. Leveraged buy-outs, which

involve raising large amounts of debt to finance the purchase of husinesses, depend on strong cash flow at the companies involved to meet the interest payments.

The Bank of England said it

Ward White shares fall as plan for buy-out is abandoned

Page 8

of huy ont lending by UK banks in light of rises in inter-est rates. "We are asking more pointed questions about assess ments of risk than we were a few months ago," it said.

The highly unusual move to withdraw the Magnet loan from syndication comes as the financiog of several recent management buy-outs in the home products retailing sector has been hit by serious prob-

High interest rates have not only raised financing costs but have also forced consumers to cut purchases, making it diffi-cult for highly leveraged companies to service deht. The Magnet buy-ont was

completed early last month. Bankers Trust said that Magnet bad "performed well" in 1989, but stopped short of saying that the company was meeting the 15 per cent profit growth target necessary to cover its interest payments. Bankers Trust bas placed

hlame for syndication prob-lems on the financial difficulties of companies in similar buainesses. "The move waa deemed prudent in the light of various circumstances affecting the financing market for loans to this particular sector of borrowers," it said. The bank said it would try again to syndicate the loan

when market sentiment improved.
Mr Philip Birch, Ward
White's chairman, said that
news of the problems of other leveraged deals had been a prime factor in the group's failure to arrange a deal. "Providers of that kind of money became increasingly concerned about their exposure to the (retail) sector," he said. Economic conditions in the home retailing sector are forc-

ing other companies, subjects of recent management huyouts, to renegotiate their own bank loans. MFI, the kitchen and bedroom furniture retailer. has met only 82 per cent of its current year's sales target and is holding talks with its bank-ers. They have heen given until early next week to respond to a company offer. The offer calls for an injection of about £30m in equity from

Lowndes Queensway, the furniture and carpets retailer, is talking to its bankers about a detailed restructuring of its debts, which is expected to be announced this week. On Friday, the company's stock price fell sharply to 221/sp from 28p.

# BAT shares fall amid political wrangling

By Peter Riddell in Washington and Nikkl Talt in London

SHARES in BAT Industries, the tohacco-hased conglomer-ate which is facing a £13.5bn bid from the Hoylake consortium headed by Sir James Goldsmith, fell 21p to 836p yes-terday as the political and reg-ulatory furore over the offer continued.

in the US. The National Association of Insurance Commissioners said it would file "friend of the court" motions supporting state regulators who are defending themselves against Hoylake lawsuits. On Thursday, officials from the association met representatives of the states embroiled in litigation. Hoylake has filed federal suits challenging the **BAT** questions rights of Anglo minorities Page 8

states' authority over the Los Angeles-based Farmers Group, BAT's US insurance subsid-

In Washington, the US State Department has told Britain of the chorus of Congressional complaints. On Thursday, more than 200 US senators and congressmen denounced the bid in a letter to Mr James Baker, US Secretary of State.

However, the Administration has not itself expressed a view on the takeover. Any intervention would be decided by the Securities and Exchange Commission and, at a state level, by

insurance commissioners. Sir James, meanwhile, attacked the congressmen for signing such a letter without any contact with Hoylake itself. He claimed again that the Hoylake bid would not endanger US jobs or the interests of Farmers' policyholders and said the SEC had been kept informed throughout.

On the insurance regulatory front, Sir James said the bidder's preferred route was to reach a settlement with the

commissioners, rather than pursue the federal legal action challenging their right to intervene in the bid. With regard to the potential sale of the Farm-ers business, he added that there were "a number of inter-ested parties".

There were also strong suggestions that the Hoylake camp may seek to push its claim that recent actions by BAT are effectively thwarting the bid. BAT denies this.

In Washington, a State Department official said yester-day that the congressmen's statement of concern was highly unusnal in a foreign takeover battle, even though US assets were involved.

### BIR Continued from Page 1

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NEW YORK (\$)			_	TOKYO (Yen)		
Rises				Rises		
Gldn.West Fin	54	+	134	Hitachi Cond 1100	+	105
Philip Morris	1635g	+	12	Honshu Chem1190	+	170
Proctor Gamble	126	+	238	Takara 3020	+	400
Falls	7.7			Tsudakoma 1600	+	150
Compaq	9514	_	13a	Palls		
filton Hotels	106	_	212	Fujitec 1500	_	100
BM		-	178	Nippon Gas1980	-	140
New York prices	at 12.	30.				
LONDON (Pence)						
lises				Falls		
Allied-Lyons	536	+	a	BAT inds 836	_	21
30C	528	+	9	Brit. & Comm 186	=	6
3TR	454	+	35	Cadbury Sch 408	_	19
Dixons Grp		+	3	GUS A1078	_	10
reeman Grp	295	+	23		_	7
CI :	242	-	24	Guinness 576	_	٠.

CHIEF PRICE CHANGES YESTERDAY

### **WORLDWIDE WEATHER**

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tion, although it does occasion-ally undertaka "foothold" investments.

Buying shares in BTR would he KKR's first step into Europe, although it briefly con-sidered entering the recent battle for Gateway, Britain's third largest food retailer.

The circumstances of KKR's filing with the Federal Trade Commission may raise ques-tions about how friendly the relationship is between parties.

KKR made the filing in mid-July only after BTR — having noticed unusual share pur-chases — issued Section 212 notices under the UK Compa-nies Act to discover beneficial

Moreover, the fact that BTR disclosed the filing when it was not necessary under UK or US law suggests it was trying to raise its share price before Monday, the first day KKR will be allowed to raise its stake above a token \$15m worth of

Although disclosure would have been necessary at 5 per cent under UK takeover rules, KKR could have bought up to 9.9 per cent without making any US filing had it been will-ing to class itself as a passive investor. However, this would

#### STR AT A GLANCE Turnover(1988) £5,47bn Pre-tex profits

\$819.6m **Employees** 98.620 Main operations include rubber products (Duniop); construction (Tilcon); industrial seals (Schiegel), motor components (Staw-art-Warner); electrical distribution (Newey & Eyre); sports equipment (Slazenger); hosiery (Pretty Polly); 52 per cent of ETR Nylex.

sions with BTR.

Having made the decision to become an "active" investor, 15 per cent was the lowest thresh-old KKR could choose.

Opinion was sharply divided in London whether KKR would move swiftly to buy shares.

Mr Tim Harris, an analyst with stockbroker UBS Phillips & Drew, said he expected KKR to make a tender in the market to raise its bolding to the full 15 per cent. "I think if they're serious, they'll consummate this in the near term," he said. However, Mr Hayes of James Capel said: "I don't think they're going to do that at all. There's absolutely no commitment and perhaps not even any intention to buy shares."

### Dollar rise Continued from Page 1

action was seen as a warning to the markets that the world's monetary authorities do not wish to see a resurgence in the dollar's value, the US currency closed with gains of nearly 3 yen and more than 4'4 pfen-nigs against the D-Mark in London where the pound lost

more than 4 cents.

Both the US price and retail sales figures were strongly influenced by events in the car market. Strong sales incan-tives, introduced a month earlier than usual, accounted for half the fall in finished goods prices, and analysts fear that the effect will be reversed this month, when car prices will not have dropped as much as

In London, yesterday's rise in the FT-SE Index rounded off a two-week equity trading account which has brought a gain of 48.2 points. Speculative excitement has played a significant role in the recent advance, but appeared to boil over towards the end of this

BAT Industries fell heavily on the disclosure of growing political opposition in the US to the Hoylake bid; however, BTR rose sharply on the plans by Kohlberg, Kravis, Roberts to buy a stake in the company.

Meanwhile, reports from the Bank of England and the Organisation for Economic Cooperation and Development warning on the outlook for domestic interest rates have re-focused investment interest on the domestic economy, where wage pressures are caus-

ing concern. Several leading securities firms expressed caution ahead of next week's data on UK prices, retail sales, wages and money supply.

### LEADERS of Japan's ruling Liberal Democratic Party have made clear their intention to hold off calls for an election for as long as possible in the hope of rebuilding the party a shat-tered public support. Mr Toshiki Kaifn, who became Prime Minister on

Wednesday, said yesterday that he had no plans for a gen-eral election and was aiming to complete a schedule of radical reforms of the electoral and

political systems.

Controls on political fund raising are weak in Japan, enabling corruption to become

Revelations of widespread corruption in the past year, including the Recruit bribes scandal, have contributed significantly to the public's recent disenchantment with the rul-

ing party.

Mr Shin Kanemaru, one of the most powerful LDP leaders yesterday ruled out the possi-bility of a general election "within this year."

In a televison programme, Mr Kanemaru said an election should not be called until after both the LDP and the opposi-

tion parties had presented their proposals for eliminating political corruption.

Other party leaders have been talking of holding an elec-tion next spring after the budget for the 1990 fiscal year has

been passed.

However, it is widely believed that the LDP would hold an election sconer, perhaps in January, if there were signs that its popularity was recovering and its leaders thought it could hold on to its majority in the lower house. A coalition of opposition par-ties, which won control of the upper house of the Diet (parlia-

the LDP dissolve the lower house - where it has a large majority - and hold a general Mr Kaifu confirmed his desire to revise the unpopular 3 per cent consumption tax

ment) in last month's elec-

tions, has been demanding that

introduced in April at the next The tax was the main factor in the LDP's crushing defeat in elections for the upper house

of the Diet. Mr Kaifu said he had "no

intention" of changing the rate of the tax but would favour clarifying that all its proceeds would be used for welfare spending and would consider exempting maternity medical costs and food from the

He said he was "strongly determined" to enact legislation this autumn to limit fund raising by politicians and would study measures to prevent corruption among them . . . possibly similar to those in the UK.

British MPs are obliged to publicly register all their out-side commercial interests. He also wanted to work out a specific schedule for introducing a single seat consituency system by next autumn, when the Diet will celebrate its cen-

stituency system is seen as contributing to corruption.

Mr Kaifu angrily denied a Japanese news report that he had an illegitimate child, and said he had asked the newspa-

The current multi-seat con-

per in question to withdraw the "irresponsible and ground-less" report and apologise. The Japanese have suddenly become interested in stories about politicians' private lives. In June it was revealed the then prime minister, Mr Sou-suke Uno, bad had an affair

tributed to his downfall. Meanwhile, leaders of the opposition coalition agreed to submit hills at the autumn session of the Diet to abolish the consumption tax.

• Mr Taro Nakayama, Japa-

with a part-time geisha. It con-

nese Foreign Minister, yester-day blamed the US for trade friction between the two countries, saying American companles did not try hard enough to penetrate the Japanese market, AP reports from Tokyo.

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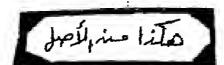
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# eekend FT

SECTION II

Weekend August 12/August 13, 1989

OU ARE peering into a drum of horrible brown slime, one drop of which could kill your whole family and the neigh-bour's Rottweiler. It is called toric waste and we are all responsible for its creation because we take the medi-cines, wear the dyed clothes and consume the various chemicals of which it is a by-product. But what should be done with the thousands of drums produced every

Nobody can agree on the best plan because somebody has to live with the stuff in their backyard. A hint of an answer might lie somewhere in this story of four honest people — Hugh Donaldson, a chamical-maker, businessman Jeremy Sayers; nnemployed marine engineer Harry Williamson and his wife, Dorothy — who have found their lives intertwined inextricably by toxic waste.

who have found their lives intertwined inextrically by toxic waste.

Fingh, a forceful 47-year-old Scotsman, is a director of an ICI division that makes colourful dyes, pesticides, medicines and many things we find essential. He also produces a lot of waste products that are highly toxic and he is responsible for getting rid of them. That is how he knows Jeremy, a 50-year-old former chartered accountant who runs Ocean Environmental Management, a company that intends to make a good profit from Hugh's problem. Jeremy wants to hulld a £20m high-temperature toxic waste incinerator on tem Jeremy wants to hill a 120m high-temperature toxic waste incinerator on Seel Sands in the Tees estuary, within smiffing distance of Harry and Dorothy's corner house (garden on three sides) in Hartlepool, Cleveland. Their story is simi-lar to tales unfolding around the globe as people grapple with the task of destroying the complex poisons that result from a better life.

Toxic waste is a major international problem. One of the most effective treat-ments is to burn it at around 1,300 degrees C, at which point the chemical compounds break down into their constituent and (in theory) non-toxic parts. Special incinera-tors, which look like high-tech chemical factories with exposed pipes and tall chim-neys, are built at great expense to do the job. The incinerators have to be run super-efficiently; otherwise, the toxics survive the ovens, escape into the atmosphere and end up in the lungs of people like Dorothy, Harry, and their II-year-old daughter, Kate.

Industry says it needs the incinerators because controlled burning is the safest way to deal with such waste. But environmentalists argue that industry should make greater efforts to cut waste hy spending more money on research into better ways to recycle, reclaim and eradicate unwanted by products. Meanwhile, people like Dorothy and Harry are terrified about the possible health effects. They hear ghastly stories about health problems hear ghastly stories about health problems from people who live near incinerators, such as those in Ellesmere Port and Pontypool in the UK and Biebesheim in West. Germany. They are worried that even if the incinerator morks to the specifications promised, there could be a tragic accident and they will be amothered by a toxic

The horror stories are, of course, hearsay. There is no irrefutable scientific evi-dence that incinerators are bad for people living nearby: Local doctors might report increased bronchial problems and farmers might complain about deformed calves. But no white-coated scientist has been able to prova cause and effect. In fact, the House of Commons Environment Committee, which earlier this year lambasted the UK government and industry on its handling of wastes, thinks incinerators that use the latest technology are a good thing. But doubts still persist in the minds of these weet likely to be effected by what



# Waste: the burning question

Is incineration really the best way to destroy industrial poisons? Peter Knight investigates

comes out of incinerator chimneys. The people of Cleveland, backed by local doc-tors and scientists from its large chemical industry, convinced their councillors that leremy's incinerator was a bad thing. His planning application was rejected last month, mainly on health grounds. But he is appealing to the Environment Secretary

and everyone, including Harry and Dorothy, expect him to get his way.

For outsiders like Jeremy, it is quite difficult to see why Harry and Dorothy are so bothered. After all, the couple have lived all their lives in an area that has an enormous steel works, probably the highest concentration of chemical factories in est concentration of chemical factories in Europe, and a nuclear power station, All sorts of chemicals are made on their doorstep and the river Tees is, effectively, dead from pollution. The people of Middlesbor-ough, Billingham, Redcar, Hartlepool and nearby towns in the county of Cleveland have the worst early death rate in the UK and one of the worst health records. Could this, they often ask, have something to do with unseen substances emitted from the hundreds of huffing and puffing factories?

So, what difference will one more chimney, built by Jeremy, make? "It's always just one more, one more, one more, and that is why we're in the mess we are today," says Harry. "Once you've got an incinerator, there seems to be no control." over it." Harry worked most of his life fitting engines into ships. His company closed in 1981 and he has been unem-But doubts still persist in the minds of those most likely to be affected by what manage to live a decent life with Kate, the

last of their three children still at home, on about £50 a week unemployment bene-fit. "We feel a bit of an effort has been made to clean up Cleveland," Harry says. "I can look across the chemical works and actually see the Cleveland hills through the towers. I couldn't do that a few years ago. This incinerator would be a retrogres-

orothy, meanwhile, is worried about health and filth. "We live on a main road so we have all these lead emis-sions. I also have acid rain on my windows and filthy window sills from the pollution. To keep my windows and paintwork to a decent standard. I have to clean them three or four times a week. Cleveland never seems to attract any decent firms; they are all filthy and haz-

Their growing concern for their environwaste incinerator nearby, led Tory-voting Harry and Dorothy to do the unprece-dented: join a protest group called Stinc which includes, among others, the Green Party, Greenpeace and Friends of the Earth. Since Jeremy applied for planning permission in October last year, Dorothy and Harry have been helping their fellow Stinc members organise protests, petitions and information to fight him. They have learnt about the problems of fine emis-sions, unburnt particles, heavy metals, dioxins, PCBs and mysterious activities in the secondary hurning chamber that, allegedly, can produce more dioxins. Their

experience with the efficiency of local industry has left them sceptical of Jeremy'a promises.

mya promises.

Harry says: "There's a firm on Seal Sands which has the best gas-scrubbing equipment and technology money can huy hnt they still emit titanium pigment, which you can see because it's white. I can't see how Ocean, with the best will in the world, can stop stack emissions." Dorothy adds: "There's always someone at the top of a dirty firm who lives somewhere else. And their attitude is just dump the manner who are the muck on the silly northerners who are only too willing to accept the work."

Jeremy Sayers lives with his wife and
18-year-old daughter in middle-class Ful-

hem, west London. He understands that Cleveland locals feel strongly hut says they should forget hearsay and listen to the facts. It's a relatively easy job to knock something, especially if you relate it to circumstantial evidence and suggestions of connections with health problems in other parts of the world." he save. "The fear is based on suggestions that incinerators of a lower technology are not safe. But we are talking about an incinerator which is the highest and very best technol-

Tall and well-spoken, Jeremy looks like someone who could be issuing junk bonds in the City, not working in the unglamorous world of waste. He is aware of his responsibility to society to run a good, efficient operation but also sees a yawning gap in the fast-growing market for waste management. And he admits he is in the business primarily to make money. He spent most of his 20 years with Ocean managing its freight-forwarding business, but now be's going to make a lot of hrass from some really horrible muck.

"It certainly should be very profitable because of the extremely high capital costs involved and the cost of building the secu-

rity features," he says. "It should have a higher return than a simple, non-contro-versial project. The market is unlikely to be over-supplied [with incinerators] because there are not many people around who are going to have the drive, foresight and finance to put up a plan of this sort and be able to deal with problem waste for the next 15-20 years." Jeremy will charge from about £150 to £500 a ton to incinerate waste, depending on type and toxicity. Once the incinerator is working to full capacity, he plans to pump through 30,000 tons of the stuff each year.
"Our argument - that our plant would

not add significantly, in any way at all, to [reducing the quality of] the air or water — has really gone unheeded despite being backed up by many experts," he claims. "I feel very strongly about the need to have a better environment. I am an environmentalist. I really am. I have a deep belief in it. One only has to look around the streets of London and see the filthy way in which we live today — and I include the disposal of industrial waste by means not necessary guaranteed for long-term safety. Our investment in high-tech means to solve the toxic waste problem is fundamentally. the toxic waste problem is fundamentally

important. I'm committed to the cause."
Is he committed enough to live next to an incinerator? "I find it impossible to

answer that question because it's so hypothetical. I can say this. Everybody has to share in some environmental impairment. After all, Fulham is under the flight-path of Heathrow and at six every morning 1 get woken hy jumbo jets full of tourists. But, on the other hand, the tourists are good for the economy. That's my contribution, if you like.

"If you don't destroy toxic waste, what are you going to do with it? It's not going to go away. Industry is going to go on creating waste. Even though we support reduction and recycling, waste will still be produced and the alternative to destroying it once and for all is to put it in the ground. And I would be concerned that my daughter and her children would one day suffer the appalling consequences of something happening on a broad scale where toxic chemicals got into water and pol-luted the environment."

ugh Donaldson agrees. He is married with three children and is responsible directly for a lot of ICI's waste chemiwaste on land, unless it's bio-degradable, is a realistic option because it's just huilding up problems for your kids. High-tem-perature incineration is one of the systems that we are going to have to use into the foreseeable future. We can't see a way of beating it."

Hugh used to be a marine engineer on Clydeside before be joined ICI 25 years ago. He took a masters degree in chemical ago. He took a masters degree in chemical engineering, started in explosives and is now the operational director of ICI FCMO, which employs about 4,500 people in its plants making mainly agro-chemicals, dyestuffs and pharmaceuticals in the UK, France and Spain. He can't say exactly how much waste he makes hut there is more than enough to give Jeromy the cort more than enough to give Jeremy the sort

of profits for which he is looking.

Hugh feels "pretty comfortable" with
good-quality incineration and supports Jeremy's plans because they will save ICI the cost and danger of transporting the waste from its factories near Cleveland to incinerators further away. "Every chemi-cal plant, every tanker, that goes around the countryside is a balance of risks. I would not sign a contract with any of the incinerator people unless we can get audit-ing facilities which say the unit is being run and managed well and the people are competent. If I can assure myself of that,

then I think I'll sleep easy,"
In response to growing public pressure,
the chemical industry is trying to cut the amount of waste it produces. But it is a highly competitive business, with demand-ing shareholders, and the cuts are being made within economic and technical limits. Hugh says: "If somebody said that I'd got a billion pounds to spend [on waste reduction), so get going, I don't think I could spend it all tomorrow because there is a technical time lag and a delay to investigate the best way of doing things. Doing it correctly is going to require both time and money.

"Would I like an incinerator in my back yard? No more than anyone else. But I think I have to say that I will. I live near our Huddersfield works and there is a risk of things going wrong in every chemical plant. I don't think I'll say to my children: 'Let us up stakes and leave and live in some far-off green place.' We still need our drugs, we still need our pesticides, we still need our crops. You have to look at the overall balance."

As rational people, Harry and Dorothy would be the first to agree about balance. But they feel that perhaps the political and financial clout of Jeremy and Hugh make them just a little too heavy for the

The Long View

## Industry's tales of the unexpected

ple; they tend to borrow heavily either when they are rich and brimful of confidence, or when they are under pres-sure and desperate to make ends meet. Trouble starts when they discover they have moved in an unplanned way from one circumstance to the other. At the moment, quite a lot of property companies are not sure which category they are in although one or two Lon-don Docklands residential developers are finding out.

It is when the banks are becoming difficult - or, at any rate, expensive - that it can be most useful for companies to he able to turn to their shareholders for new capital. Oddly, British companies have almost stopped doing that, even though the investment

institutions are overflowing And as the Bank of England pointed out this week, the UK's corporate sector as a whole is heading for a second successive year of financial deficit. That is a most unusual situa-tion. Previous deficit years in 1974 and 1979 were followed by violent correction measures and economic recession as industry struggled to restore its financial stability. But the latest official statistics show that after a financial deficit of 52.7hm in 1988, industrial and commercial companies incurred a further seasonallyadjusted deficit of £2.6bn in just the first quarter of 1989. Companies have been taking

over from private house-buyers

borrowing binge. In the third quarter of last year, at the peak of the spending spree, personal sector borrowing of £17.6bn compared with £13.6bn by companies. In January-March 1989, by contrast, corporate borrowing had been stepped up to £16.6bn while personal borrowing had cooled down to £11bn.

This is not very comfortable for the Bank of England, which is fretting about the excessive growth of the broader mone-tary aggregates. But the com-panies themselves do not appear to be worried, in so far as the money is being bor-rowed to meet planned spending requirements. Aggregate dividends jumped by 48 per cent last year, and by an ama ing 61 per cent year on year in the first quarter of 1989. Fixed investment has been rising by

some 14 per cent.
These items are under the discretionary control of management. So is corporate dealmaking, which has been the other major reason for the increase in borrowing. The company sector as a whole spent £7%bn more last year on buying UK equities than it raised by seiling new shares to investors.

Where things can get out of hand is through the growth of unexpected hurdens. If sales slump suddenly, stocks and work in progress will begin to pile up. A sharp rise in interest rates can also hurt individual companies (although large companies as a whole gain



After a long period of rebuilding its prosperity, corporate Britain might now again have become softer and more accident-prone

more or less as much as they lose from rises in short-term interest rates). Abrupt jumps in commodity prices or pay rates can also throw cash-flow calculations into confusion. Apart from one or two hard-

hit sectors, like residential property, we don't yet face cri-ses of these kinds. The debate still drags on about hard land-ings and soft landings but, so far, the UK economy has yet to complate its approach to the runway. Meanwhile, in various quite important ways, the company sector has changed its behaviour pattern. Clearly, it has improved radically in confidence in the sector has changed its behaviour pattern. fidence since it was demoral-ised by the last major recession in 1981. To begin with, profit-ability has increased greatly. According to the Bank of England, the real pre-tax rate of return on capital employed has reached 11 per cent, the highest since the 1980s. For comparison, the return was only 3 per cent at the trough in

Second, finance directors appear to have decided that the low level of financial gearing they pursued during the early 1980s is no longer appropriate. According to UBS Phillips & Drew, net gearing for listed companies was 26 per cent at the end of the 1970s but had fallen to 17 per cent by 1987, since when it has begun to rise

Many companies were happy to continue to issue new equity at the inflated prices which ruled shead of the 1987 crash, hut their attitude changed abruptly at the lower market levels ruling in 1988 when British companies were furious at the pessimism of the UK stock market. You could argue also that the very generosity of

dends (an overall rise, per share, of more than 50 per cent in the past three-year period) has increased the cash-flow cost of servicing new equity. There would not be a lot of sense in making rights issues in order to finance dividends (which is not to say it hasn't

happened).
Finally, the increasing activity of international debt-backed corporate predators, with scope to attack the higgest of targets, has made companies wary of troubling their shareholders. How would a squeeze change behaviour? There is no reason to be concerned generally about corporate bealth in the UK. Yet, the climate has been

relatively easy for six or seven years now. That is time enough for had hahlts to develop. Profitability is historically high, and is vulnerable. Some companies have also raised sharply tha financial risks which they are bearing notably, through leveraged buy-outs. But the stock market has almost stopped worrying.
It all depends on whether
Chancellor Nigel Lawson really
will steel himself to put pressure on the corporate sector as it prepares to indulge in a highly inflationary pay round. So far, companies have brushed aside the rises in short-term interest rates and have carried on much as before. Lawson might prefer to see a few prominent corporate casualties, rather than suffer the collapse of his anti-infla-

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				- L Conduct Straight	VIV	Bridge	VII

Property: Sporting estates VIII Sport: Racing and soccer

ora: Irish entrepreneurs .... VI Arts: Edinburgh Festival preview

#### FINANCE & THE FAMILY: THIS WEEK

#### BAT: the full assault is still to come

Nikki Telt assesses the state of play in the BAT bid while Devid Wailer looks at the mobves behind Hoylake's offer.

#### Is there life after retirement?

Many employees may look the act itself can be a surprisingly treumetic sxperiencs. With early retirement becoming increasingly popular, Sara Webb looks at how companies could - and should - help prepare



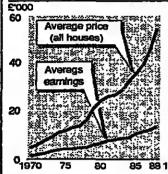
staff for their final "holiday." Plus Eric Short on how pensioners ere losing out as infletion eats into their company schemes. Page V

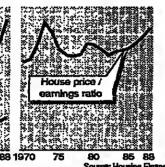
#### Minding your own business

Kieran Cooke trecks down three entreprensurs in Ireland who have mansged to combine three successful small businesses with an enviable lifestyle. Page VI

BRIEFCASE: Taxing time for a wife: Page V

#### House prices and earnings





#### House market 'slow until 1990'

Home-owners cannot expect to see any sign of a significant pick-up in housing market activity end prices before the end of 1990 at the earliest, according to the letest report from Housing Financa, the Building Societies Association magazine.

Meanwhile, the Woolwich Building Society reports that house vendors in the south east of England are being forced to reduce their asking price by 15 to 20 per cent in order to ettract buyers in a slow market.

However, house prices in the north of England are still rising, eithough more slowly than et the start of the yeer, according to the latest survey from Northern Rock Building Society. House prices in the north rose by 11 per cent on everege in the first querter of the year and by 9 per cent in the second quarter, the report seys. While the boom in executive properties has slowed down, properties et the lower end of the scale sultable for first-time buyers heve shown the largest Increases. Sare Webb

#### Replacement Abbey shares sent

Lloyds Bank Registrar Is sending out 365,000 replacement share certificates this weekend to the Abbey National members who never received their original sheres when the building society was floated more than a month ago. Lloyds has already posted 11,000 out of the estimated 31,000 refund cheques due to members.

More than 300,000 certificates and refund cheques which should heve been posted to members went missing, and Lloyds came in for some strong criticism for choosing an unrecognised mailing house called Business Mailing Services to handls the distribution of share certificates

Following e bp-off claiming that Abbey National shares were burned at Business Mailing Services' premises, police were called in to investigate fires in two skips there on July 28, and they questioned the owner. The mailing company had been assigned about 20 per cent of the certificates to distribute. SW

### Retail sales fall in June

Retall sales showed a sharp drop in June while consumer credit rose by the smallest emount since November 1986. eccording to figures from the Central Statistical Office released this week. The figures appear to indicate thet the Government's policy of keeping interest rates high in order to combat inflation is helping to dampen consumer

### Midland plans share shops

Midland Bank is planning to open 12 share shops in its branchss by the end of the year. These will offer a shere-dealing service for Midland customers as well as for the public, end provide up-to-the-minute share price information. Midland opened its first shere shop in Birmingham last May, end the next two will be opened in Lincoln end Welwyn Gerden City on August 14. SW

### Credit with a conscience

Affinity cards sre the latest thing in plastic for spendars with e conscisnce; several banks and building eocieties now offer credit cards which meke e donetion to the cherity or arts organisation of the holder's choice each time he or she uses the card.

Glrobenk's Visa affinity csrd was launched a year ago and has already raised £100,000 for Oxfam. As with other effinity cards, Glrobank paye £5 to Oxfam the first time the card is used, and 25p for every £100 spent

### LONDON

### Rain dampens rally as LBOs catch a chill

LONDON HAD its first terday, although there were downpour for several weeks on indications that the stake Thursday and after the long, hot summer of stock market optimism, there are signs that investor enthusiasm is about to be dampened.

Takeover speculation has fnelled recsnt bullish sentiment and most of the rumours have concerned blue chip stocks. Accordingly the FT-30 Ordinary Share Index has led the other indices, reaching an all-time high of 1,957 on Monday, and moving on to set a further peak of 1,972 on Wednesday night.

Yesterday, the takeover surge was given a new lease of Kohlberg Kravis Roberts, the US bnyout specialists, had mads a filing with the US authorities in order that it could be allowed to buy 15 per ent of BTR, one of the UK's largest conglomerates.
The news caused BTR shares to rise by over 8 per cent yes-

FT-SE 100 Index

ASDA Grp.

Grand Met

Kingfisher

Parkway

Leisure Invs.

Parkfield Gro

Rosehaugh

Smurfit (Jefferson)

DESPITE THE surge in bond

prices yesterday morning, the

stock market seemed still to be baulking at the last fence on

its great bull run: the closing

high of 2,722.42 on the Dow

Jones Industrial Average

which it hit on August 25, 1987.

But with yesterday's good news on inflation and signs of

revival in consumer spending.

it was probably only a matter

of time before the Dow breached its historic highs. By purely rational standards,

the index is a barbarous relic

of statistical pre-history. But it

headlines and TV news spe-

cials. The Dow hitting a record

will be the eveot most likely to

re-awaken public interest in

the stock market - and this,

in turn, will serve either to fuel

a fresh take-off into uncharted

territory, or to generate the

speculative excesses associated

with a market top. Thus, it is worth considering what the Dow is, and how it is compiled.

To start with, it is a hodge-podge of only 30 stocks, thrown together 61 years ago and revised at the whim of a

retired assistant editor at the

Wall Street Journal. Worse

even than the limited and

biased stock selection is the

bizarre method used to calcu-

The DJIA is an arithmetical

average of the prices of the 30 component stocks. These are

weighted not by their market capitalisations but in accor-dance with their dollar stock

prices. Thus, Woolworth (stock

price \$65) has a higher weight in the Dow than General Elec-

tric (stock price \$58) despite the fact that Woolworth's total

capitalisation of \$4bn is pre-

cisely one-thirteenth of GE's

The contribution of each

stock to the index is not even

\$52bn market value.

**Textured Jersey** 

GUS A

Brit. & Comm.

Descutter Bros.

v'day

2354.2

454

186

680

1078

691

594

166

+26.7

+21

+38

+10

+156

+26

+21

-52

+60

+27

+ 144

+31

would be friendly.

Elsewhere, however, there were signs that some of the speculative froth might be about to disappear from the market. The longer the Hoylake bid for BAT Industries continues, the more the regulatory obstacles appear to

Already Hoylake faces a fierce battle from the state insurance commissioners over the fate of Farmers, the US insurance company which BAT acquired, after a long struggle, last year. This week more than 200 US Congressmen denounced the bid in s twopage letter to the Secretary of State, James Baker. Some of the congressmen have asked the Securities and Exchange Commission to assert its juris-

The Hoylake camp has yet to produce a cash alternative to its mixture of debt and equity.

HIGHLIGHTS OF THE WEEK

2360.4

212

488

242

685

463

634

1165

373

111

47312

267

709

595

171

present, the multiplier is 1.517.

This means, for instance, that

a \$1 increase in Woolworth's

stock price raises the DJIA by

1.52. (In keeping with its other

eccentric traditions, the Dow

Jones company expresses this multiplier as a "divisor" and

states its present value as 0.659

movements against the faster-

growing companies within it.

US tend to split their shares

often as their stock price rises. (There was an old joke on Wall

Street about the great glamour stock of the 1970s. What does

Schlumberger do? It goes to a hundred and splits. Then it goes to a hundred and splits.

Then it goes to a hundred...).

Coca-Cola, Merck, McDonalds and GE have had their weight-

ing in the Dow cut back regu-larly and systematically because uf frequent stock

Companies like Boeing,

ssful companies in the

Low

1782.8

152

Speculative activity.

Agreed bld.

Profits warning

Profits warning.

WALL STREET

How the Dow

makes news

adjusted properly to take splits. When the value of account of splits, instead, an Merck's shares fell from \$150 to ad hoc multiplier is applied to \$50 last year in a three-for-one

the whole 30-stock average to stock split, for example, the ensure continuity before and Dow's sensitivity to the drug

- that is, one divided by 1.517.)

Even more than the selection of its 30 stocks, this statistical quirk stilts the Dow's (yes) IBM.

'The index is a barbarous relic

of statistical pre-history . . . ?

Options buying & bid speculati

Woodchester disposal rumours.

Acquisition of US fast-food chains

Brokers cautious on profits outlook

Revival of Canadian bid speculation.

Proposed US cash raising operation.

was slashed automatically by

67 per cent. Meanwhile, the index over-

emphasises increasingly the lumbering old-time giants. Dow

companies which have not had

a stock split for more than 10 years - and, therefore, have

not had their influence on the

The last of these companies is obviously the most impor-tant and, in a curious way,

demonstrates why the Dow, for

all its faults, continues to be the stock market indicator in

which Wall Street really

believes. Its very idiosyncra-

cies sometimes reveal things

that are worth knowing about the market, even if their

importance cannot be pinned

has been by far the most important laggard, still stand-

Take the role of IBM in the

down in any rigorous way.

116 Bld approach frm unnamed interests.

Figures best expectations

Depressed stores sector,

Brokers' upgradings

KKR files to buy up to 15% of BTR.

Since any cash offer would involve underwriting costs, there would be little incentive for Sir James Goldsmith to produce cash if he felt that regulatory obstacles might block the

the Hoylake camp must have anticipated most of these regulatory difficulties - and Sir James may yet spring free of the complications. The Hoylake camp is not short of high-powered financial and

legal advice.

The leveraged buy-out bandwagon may yet roll through BAT but it has come to a nasty halt at Ward White. Last week when Boots increased its offer to 445p per share, Ward White announced that it was examining "alternative proposals."

It quickly became apparent that these proposals revolved round a leveraged buyout of some kind, with Charterhouse Bank one of the financial institutions involved and Shearson

that "detailed and extensive discussions with a number of parties have established that in

markets it is not possible to create leveraged proposals."

There will be no alternative offer to the Boots bid and Ward White's share price fell far enough yesterday for Boots substantially to increase its

ng growth. Obviously, in Ward White's case, the sums do not add up. money after a sharp drop in its furniture sales; Coloroll aban-

yesterday morning, were back at its peak value of \$176, the Dow would now be well above 2,800 and the pre-crash record would have been consigned to the history books. "On to 3,000!" would be ringing out from the trading floor, as it was in August two years ago.

IBM's underperformance has been an unexpected blessing. It has enabled the market as a whole to climb well above its 1987 resistance levels without over-exciting the public, which looks at IBM and the Dow as key benchmarks. Indeed, some contrarians now are arguing that a sudden surge in the IBM price would be a clear signal that the market finally had

but it begs a crucial question. Can the American economy compete internationally and prosper if IBM - and, with it, much of the technology sector

remains in secular decline?

The answer seems self-evident. If a revival of interest in IBM and other industrial stocks were now to push the Dow above 2,800, the bull market could probably continue for many months more. But a new surge in stock prices, powered only by takeover speculation and ever more exorbitant valuations of the already over-ex-

2694.99 + 41.54 Dow's underperformance. Of Tuesday the 30 stocks in the index, IBM Wednesd 2688,17 + 4.18 2686.08 - 13.09 2712.63 + 26.56

# FT Ordinary Share Index Ann. 9, 1989 1987

Lehman believed to be

Yesterday, however, Ward White was forced to announce current state of the debt

This may prove to be a turn-ing point. In the last few months, it has seemed that almost any company could become an LBO target, with oanks eager and willing to pro-

vide the necessary finance.
To outsiders, the puzzle has been that this enthusiasm for debt financing has appeared at a time when not only are interest rates very high but also when most forecasters are expecting a slowdown in both economic and corporate earn-

And problems are eppearing at some of the other recent buy-outs. MFI is talking to its bankers about raising further doned the management buyout of its carpets subsidiary; and yesterday Bankers Trust dropped the syndication of the

ing 30 per cent below its 1987

high.
If IBM, which traded at \$116. And some of the smart money might be edging towards the Exit signs.

in a perverse way, therefore, become overbought This is a tempting argument

tended "consumer growth" and service issues, could set up the market for a precipitous

Anatole Kaletsky

### senior debt relating to the Mag-net buyout, blaming market

All those involved in the LBO business must be harden LBO business must be hoping for an early fall in interest rates, but two reports released this week indicated that they may be disappointed.

The Bank of England, in its

quarterly bulletin, warned of the inflationary pressures caused by rising wages and said that short-term interest rates "might have to stay high longer than had been hoped."

And the OECD called on the Government to tighten its economic policies even further, with Chancellor Nigel Lawson

urged in particular, to deliver a cautious Budget next March. The increased pay offers made both to the London Underground drivers and to the white-collar council workers this week illustrated the inflationary pressures in the economy.

Although wages are rising, a large proportion of those increases is evidently being eaten up by servicing mortgage and other interest payments. That means that consumer spending is aloggish, as was illustrated by the adjusted June retail sales figure, which showed a fall of 2.3 per cent. The corporate sector therefore faces a fall in demand at the same time as its costs (in the form of wages) are growing. The inevitable result will

he a squeeze in margins, and therefore increased pressure on profits. ..

For the moment, the market appears to be ignoring this pos-sibility, perhaps because it is buoyed up by takeovers or by the strength of Wall Street, perhaps because investors are looking to a pick-up in the aconomy in 1990-1.

But profits warnings and poor results are now occurring even more regularly than are defeats of the England cricket team. This week Mayborn, the consumer products group, Parkway, which provides prepress production services, Porvair, the specialist plastics manufacturer, Oakwood, the manufacturer, Oakwood, the textiles and specialist contracting group, and A Goldberg, the fashion retoller, all made profits warnings, and London Forfaiting, the trade finance group, and Kingsgrange, the tolletries manufacturer, plunged into losses.

With each successive warn-ing, analysis must be marking down their profits forecasts for other companies. If that hap-pens consistently, the price/ earnings ratio of the market as a whole will rise. That may cause investors to lose their some of their enthusiasm for equities; Trevor Laugharne of Kleinwort Benson now argue that "the UK equity market is

Philip Coggan

#### (JUNIOR MARKETS)

## Worry follows EC proposals

comes to the impact of European Community directives, few holds are barred, "Small companies are now facing the

junior markets. One would after the rules on publishing accounts, which could make life easier for small unquoted companies (with fewer than than 251 employees) but put the 258 USM companies of simi-lar size at a disadvantage.

Even more significant, though, is the Mutual Recognition of Listings directive which would allow a company listed on one European stock exchange to be admitted to any other. As a result, the London Stock Exchange might have to reduce its trading record requirement from five years to three to bring it into line with other countries.

important difference between it and the USM, which already stipulates a three-year trading Although no official pro-

nouncement on the conse-quence of this change is likely before October, the stock exchange is juggling with a number of options. It could keep the three markets as they stand and merely amend the listing requirements; it could companies; or it could merge the USM and the Third Market. The third option seems the most likely. It would probably and FT-SE 100 companies. mean promoting most of the larger, higher-quality USM Dublin Stock Exchange in that companies to the main market it would be an integral part of and creating a new market for the International Stock very young companies, which would accomodate most Third Market stocks.

The, DSE would be like the Dublin Stock Exchange in that the International Stock Exchange, it would not mean a return to trading

result, the number of compa-

nies I have talked-to seem the prestige and liquidity of exchange, their shares, says Jean-Marc Olivier, of Peat Marwick McLintock.

GROFF DOUGLAS, one of the ... However, those associated leading analysts of the with the USM take a very dif-Unlisted Securities Market, is ferent view about the prospect not often given to flights of of change. Even though the USM had a patchy start and has problems with liquidity in some areas, it is viewed widely as an overwhelming success in fuelling the growth of smaller possibility of being taken back companies. There are fears 10 years," he says. "Every company on the USM should be ised if the USM is subsumed

exceedingly concerned."

The causes of his disquiet are Brussels directives that promise drastic changes in the junior markets. One would helps attract others to the fold.

We do need some visibility the focus for smaller companies. nies," says Brian Winterflood, of Winterflood Securities, a market-maker in smaller companies. "A lot of USM companies are very unhappy about the idea of being a small fish in

a big pool."
This observation is backed up by the experience of some companies that have forsaken the USM for the main market. Colin Rosser, of the Goodhead Group, which moved to the main market last September, says he wishes sometimes he could return to the USM. ther countries.

This would remove an investors who had been uportant difference between deterred by its USM status, and the USM, which already Goodhead lost an institutional investor which specialised in USM funds. It also found itself compared with the bigger play-ers in the printing and publish-ing sector, and losing the premium rating usually enjoyed

by USM companies.
Winterflood's solution to this problem of visibility is to propose a Domestic Stock Exchange (DSE) for companies create one market with differ with a market capitalisation of ant rules for different sizes of less than £120m. This would bring smaller companies into the limelight in a market domi-nated by international brokers

mean a return to trading For those involved in the Third Market, this prospect is exchange floor. Screen-based welcomed generally Many see the design of the Third Market is essential to maintain Lonas flawed, since sponsors, don's competitive edge, Winterrather than the stock flood says. "It was a lovely exchange, have to regulate club but you cannot put the new issues. Perhaps as a clock back." This would disappoint those

nies joining the market (12 this nostalgic for the old floor based year, bringing the total to 69) method of trading such as is seen as disappointing.

Furthermore, some members of Guidehouse Securities. He have complained about the mourns the old ease of buildlack of kudos associated with ing-np working relationships the Third Market. "The compa- by personal contact — a tradihy personal contact - a tradinies I have talked to seem tion, he says, that goes back to quite keen on a change, which the coffee houses that were the could bring an improvement to precursors of the stock

Vanessa Houlder

200 - 100 -

## Oil majors profit from a lucky business break

100

IT IS easy to be stunned into incomprehension by the huge profit numbers which oil companies have beeo courning oot for their shareholders recently. What is one to make, for example, of Royal Dutch/Shell's claim this week that its \$11m per day after tax profit during April, Msy and June repreinted a 58 per cent increase on its performance in the same period a year ago? Or British Petroleum's 34 per cent rise in the period, or the much smaller Ultramar's 175 per cent improvement in pre-tax profit in the first half?

As always the figures include special factors and are distorted (upwards this time) by stockholding profits. Even so, the figures do reflect a lucky break for the industry in which all three parts of the business – exploration and production, refining and mar-keting, and chemicals - have

improved at the same time. Often in the past higher crude oil prices have squeezed profits on refining operations, because product prices bave not moved up in step. The reverse has also been the case, as in 1986, when the collapse of oil prices devastated the "upstream" part of the indus-try, but allowed the big inte-grated majors such as Shell and BP to to compensate with

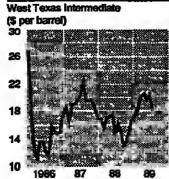
very large downstream profits.
This year, bowever, all parts of the business moved up together, for the old-fashioned reason that demand early this year was unexpectedly buoyant. This put upward pressure on prices for petrol and other refined products and created some firmness in the world crude oil markets, which bene-fited upstream earnings.

The higher product prices indicate that the industry is at last shaking off the surplus refining capacity built up in the euphoric early 1970s, when oil wes cheap and demand appeared set to go up for ever.

However, the good results should not be taken to mean that the problems are all over. Product prices have been easing again this summer, so it seems that the strong demand in the late spring may have been a smaller cycle obscuring e more stately trend. This has been discussed by analysts and is therefore already reflected in the share prices of the major refining companies.

The share prices also reflect

Oil prices



Rotterdam premium gasoline (\$ per metric tonne) 180 

1986 87 88

a general expectation that crude prices will remain mod-erately firm. A consensus of analysts puts the average price for West Texas Intermediate, the US marker crude, at \$18.85 next year (North Sea Brent has been somewhat lower), proba-bly above the forecasts of the oil companies, which are in the range \$16 to \$18. Anyone who feels that prices will rise higher – and there is heavyweight academic support

for this from a recent study by

Professor William Hogan at

Harvard University - might

do worse than take a punt on BP. Its yield of about 6% per cent is a percentage point higher than Shell's, and the major re-organisation of its assets in the last two years has concentrated its forces on the oil sector, particularly on the two biggest oil producing areas outside the Organisation of Petroleum Exporting Countries

- Alaska and the North Sea.

On the other hand, as David Gray, oil analyst for the broker James Capel says, this very concentration creates a risk which is reflected in the higher yield compared with Shell's. What would happen to BP if something dreadful occurred in Alaska or in the North Sea? Shell in contrast was able to say blandly that a reduction of 90,000 barrels in its North Sea productioo in the second quar-

ter "was more than ontweighed by increased production from Nigeria, Colombia, Syria, Gebon and Denmark." Similarly it was able to offset lower product sales in the US by increases in the Far East. Typi-cal Shell. It is so vast and so well managed that it seems to drive through local storms and adversities like one of its own great tankers, setting a pace for dividend increases which will be hard to follow.

BP is also well managed. large and diversified, but still has some course-setting to do after its traumatic tussle with the Kuwaitis and the enormous job of absorbing Standard Oll of America and Britoil in the UK. Perhaps, for that reason, the stock has more potential. For those preferring to put their money in a company of less imposing draught, Ultramar's results provided confirsize of Ultramar. mation that its re-structuring and management shake-up has

transformed the company from something of a lame duck. It now has an interesting balance of assets between oil and gas production in Indon-esia and refining and market-ing in Canada and the US West Coast. Downstream profits are now about four times those from upstream, but new devel-opments will allow it to take a opments will allow it to take a useful advantage of any rise in oil and gas prices.

Its shares were marked down

because analysts had been

expecting an even better profit.

but the current price reflects a generally optimistic view of the company. Perhaps Ultra-mar will be constrained by its high debt ratio from making another leap comparable to the recent purchase of the Wilmington refinery on the West Coast, but the company itself does not think so, and it probably has scope for other imagi-native moves. It is a company which investment may still be highly geared to the success of the new management team - but a mistake which would scarcely dent Shell might be enough to sink a company the

Max Wilkinson

### FINANCE & THE FAMILY

David Waller looks at the motives behind the giant Hoylake bid for BAT Industries while Nikki Tait assesses the state of play

## Why Goldsmith wants to make the break

SIR JAMES Goldsmith's giant bid for BAT Industries is as much an assault on an idea as on a company. The idea is "conglomeratism": the Anglo-French financier believes that conglomerates vast aggregations of businesses which have believes

which have little in common unwieldy and inefficient.

Focus is much better than

sprawl, he argues with moralis-

tic fervour, and the way to achieve that is to "unbundle" the sprawling corporate giants into their constituent parts.

With share prices jumping daily to post-crash peaks, it is clear that the stock market clear that the stock market likes the idea of unbundling, if only because it could mean plenty of take-over bids for big companies in future. But does the market really dislike conglomerates?

An historical perspective is helpful. For some years up to 1986, conglomerates were very fashionable and companies like BTR and Hanson, as well as a host of medium-sized ones like Williams Holdings and Tomkins, basked in the glow of

The state of the s

Thing (😉

41.75

ratios in expectation of high profits' growth. The lofty rat-ings duly were exploited to make big acquisitions for shares which fed through into vaulting increases in earnings. So, the high P/Es justified themselves and it became possible to make more such acqui-

titions.

The tide of investors' sentiment turned at least a year before the October 1987 crash.

The two giants — BTR and Hanson — found themselves distinctly unfashionable and their ratings slipped dramatic-ally against the market. The main reason was the adverse publicity surrounding the two prototype mega-hids of 1986: of husinesses insulates them BTR's ettempt on Pilkington (which failed) and Hanson's bid for the Imperial Group product market. In other

Conglomerates FT~A Index relative to the FT-A Alf-Share index

1986 87 88 If you look at the post-crash environment, though, the pic-ture is totally different. The medium size conglomerates have sunk dramatically against the market while BTR and Hanson have done very

The conglomerates sector, which is dominated by Hanson, has outperformed the market as a whole by more than 20 per cent. Hanson, which has a cor-porate philosophy completely opposite to "focus" has outperinvestors' approval.

It was a virtuous circle. The acquisitive companies companies companies companies companies and BTR (which is not formed the past year alone and BTR (which is not formed the past year alone and BTR (which is not formed the conglomerates). mally in the conglomerates sector but might as well be) by 16 per cent. Williams has fallen hy 25 per cent against the mar-ket while Tomkins has underperformed by just 5 per cent.
So, it appears that despite
the market's appearent infatuation with unbundling, BTR and
Hanson are quite fashionable again. There are several rea-

sons for this.

Their attractions grow in proportion as the stock market is nervous and the economic outlook poor. Their businesses may not be the most dynamic in the world, but at least a degree of growth is virtually assured. Moreover, the spread (which succeeded). The City grew sceptical of the quality of earnings coming from the two giant predators and worried that they were simply too large to maintain the profits' management and financial

momentum.

Meanwhile, the "mini-cons" Owen Green (chairman of came into their own. Clearly, BTR) have been through reces-williams, Tonkins and the like sions before. Their balance were not too big to expand, sheets are formidably strong— They retained their heady ration to unattractive in an era of ings, carried on pushing out absurdly high interest rates, the paper to make acquisitions. Hanson, for example, had £2bu and their shares outperformed net cash before the acquisition

With such a robust balance sheet, Hanson was placed well to buy Gold Fields at what some analysts see as a significant discount to its break-up value. It paid £14.30 cash per share plus a 40p special divi-dend and 60p in warrants which compares with an unbundled value of possibly £17 a share.

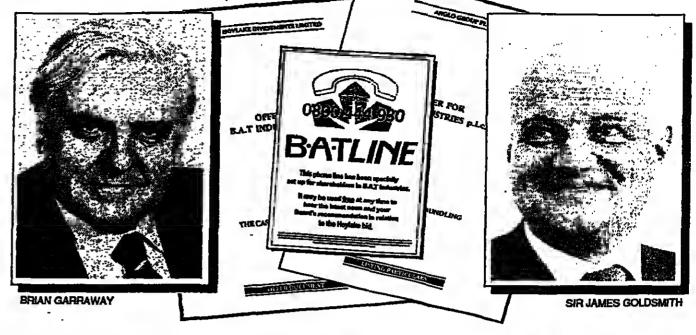
Yesterday's announcement that Kohlberg, Kravis, Roberts, the US arbitrage house, had filed to buy 15 per cent of BTR was something of a mystery to the UK market: hrokers thought it unlikely that a bid was in the offing, given BTR's track record and management skills. Nevertheless, shares in BTR — and a variety of other conglomerates as various as conglomerates as various as Parkfield, Trafalgar House and Williams Holdings – jumped npwards as the market reflected on the values inherent in the sector.

What should the small investor do ebout conglomerates? Fiona Humphrey, of James Capel, recognises that the majors (BTR and Hanson) will make safe and attractive investments. However she thinks that the medium-size companies — including Trafalgar House — are due for a rerating, on two counts.

She helieves that certain medium-size companies -Tomkins and Morgan Crucible, in particular - deserve inves-tors' attention on the basis of fundamentals alone. Tomkins, she argues, has been neglected because of the size problem: investors have been worried that the post-crash environ-ment has left the company unable to make big acquisitions. She feels this is irrelevant, pointing to last month'a results when pre-tax profits for 1968-89 surged by 38 per cent to

Morgan Crucible, she says, has suffered because of a lack of market understanding. It is a world player in five niche industries from crucibles to refractories and technical ceramics, not one of which is accessible readily to the mind of the average investor. There are many medium-size con-glomerates with such a store of hidden value.

The other reason for invest ing is, of course, the unbundl-ing factor. Some of the medium-size companies - including those with shares that perkripe for dismemberment.



## The full assault is yet to come

almighty thud on the doormat this week as the offer docu-ment from Hoylake, the bid vehicle for the consortium headed by Sir James Gold-smith, arrived through their

letter-boxes.
Together with the listing particulars, it weighs almost 1.5 lb and covers 160 pages. The mailing costs for this doc-umentation alone must have run into tens of thousands of

Just in case anyone failed to get the message that battle has been joined in earnest, BAT responded with a Freefone "BATime".

Shareholders can listen on this to the tobacco-based con-glomerate's finance director, Brian Garraway, pointing to some of the company's success stories and urging investors to reject the bid. Comments from other directors are promised in the coming weeks.

Garraway is certainly the

more digestible of the two offerings. But shareholders who have not designated the Hoylake documents as doorstops already may wonder what, if anything, should attract their attention in this morass of detail, and whether any action is desirable. On the first score, these weighty documents probably are tackled best in different

stages: ■ The "industrial" argum This comprises the much-publi-

AROUND 116,000 individual cised "unbundling" theory, shareholders in BAT Industries coupled with a feroclous attack risked being woken up by an on BAT's strategy and record, and is set out on pages 3-23 of

the offer document.

As Jecob Rothschild suggested when unveiling the treatise (no doubt, pre-empting BAT's response), statistics can be chosen selectively to illustrate virtually any point-of-view — with the choice of stating dates for example starting dates, for example, producing very different

It is a fair point; but the argument holds good on both sides. Sbareholdsrs should read ALL documents with a certain wariness. m The terms. These are set out most clearly on pages 29-33 of the offer document and consist

of various pieces of paper, not As explained on these pages, the offer allows shareholders to swap their BAT holdings for two types of loan notes in Hoy-lake, plus shares in Anglo, a medium-size quoted company which runs a leasing business and was earmarked for the

March.
The theory is that BAT's non-tobacco interests would be sold-off if the bid is successful.

Goldsmith return back in

and the proceeds would allow Hoylake to redeem the loan notes. Hoylake would end up owning the tobacco husiness. Assuming full acceptance of the offer, existing BAT share-holders would own 92 per cent of Anglo, in turn holding 75 per cent of Hoylake. They would, therefore, have a 69 per cent interest in the ongoing tohacco

The remaining 25 per cent of Hoylake would rest in the

'Shareholders should read all documents with wariness'

hands of Sir James, Jecob Rothschild and Kerry Packer, plus the 23 additional backers and friends listed on pages 72 and 73 of the offer document. This is in return for subscribing £868m for Hoylake shares if the offer becomes unconditional. (The shareholder subscription agreements actually allow for up to £1.06hn).

That is the simple way of

to 8 per cent of Hoylake's dis-tributions of BAT disposal pro-ceeds and any increase in the value of the company's equity.
They should also read the
"rights of Hoylake minority shareholders" on the following page, which offer very considerable protection for the posi-tion of the original Hoylake

> through. Finally, there are some additional titbits that shareholders might like to note. On pages 82, 83 and 86 of the listing particulars, for example, there are details about the costs and fees involved in the Hoylake offer. On page 80, there is the ser-vice agreement with Al Dunlap

putting it. On pages 30-31, shareholders can find details of the loan notes — the interest

they will eern, the security

underpinning them, and so on.
On page 32, they will find
some more sobering, warning
notes on how these pieces of
paper should be valued.

should also struggle through details of the "override" scheme (on page 34). In simple terms, this entitles existing

shareholders of Anglo and the original Hoylake investors (Goldsmith/Packer/Rothschild)

investors if the bld goes

More assiduous shareholders

smith men who would play e major role in managing the BAT business if the bid is suc-

cessful.
As for action, the best policy for all but the most impatient, cautious investor must be to do nothing et present. There is a general consensus that the present terms are no more than an initial shot.

Even Hoylake, while refus-ing - correctly - to speculate on possible future developments has itself made clear that the offer is a cost-effective means of starting what inevita-hly will be a lengthy battle fraught with regulatory prob-

If Hoylake wished to offer some kind of cash alternative, it would have to underwrite it paper or borrow. And thet would involve substantial fees to the backers – although the extent to which these might be success-related is a moot point.

For this reason, shareholders probably would be safe in spar-ing themselves some of the more mind-bruising details of the Hoylake offer et present, while keeping a close eye on further developments. The action, after all, is only just

THE INLAND Revenue has a long memory, as nearly 16,000 people are about to find out. These are the individuals who invested in Barlow Clowes Gilt Managers, the UK arm of the investment group which collapsed last year. Included are nearly 9,000 who withdrew all their money before the collapse and who probably think of Bar-low Clowes only as something from which they were lucky to escape in time. However, it is now about to return to haunt

. The 16,000 will receive a request for information that will determine if they have overdue tax to pay. The taxman expects that around 3,500 of them owe money, to the total tune of about £1.5m.

The tax arises from Barlow Clowes' practice of "bond-washing." This involved buying gits (UK government securities) after a dividend had been paid and selling them again before the next dividend — a way of turning income into capital gains for tax purposes.

Tax might now be due for two reasons. First, until February 28, 1986, the capital gains from bond-washing had to be declared like any other gain and were added in when calculating if someone had exceeded his or her capital gains tax excent on for the war. exemption for the year.

Richard Waters on Revenue's new Barlow Clowes probe

### **Investors** face back tax blow

the Revenue of these gains. But some did not do so and will now have to pay the tax. This will affect only people who had more than £35,000 invested in Barlow Clowes, provided they had no other cepital gains from other sources: the gains from investments of less than £35,000 were not large enough by themselves to exceed the personal capital gains tax exemption. The second reason why tax could be due stems from the treatment of bond-washing after February 1996. From that date, the Revenue began to cal-

culate the proportion of the dividend that accrned day-to-day during the owner-ship of the gilt and taxed this as income (something known as the "eccrued income

Barlow Clowes told its inves-tors that they should inform to tax under this scheme. It now says that anyone who had more than £5,000 invested in Barlow Clowes after February 1986 should declare this, to enable a tax assessment to be

drawn up.

The tax applies to gains that were "rolled up" as well as those that were actually paid out to investors. Those who have lost capital in the Barlow have lost capital in the Barlow Clowes collapse will not be able to set this against their taxable gains. Letters explaining the position are being sent to all 16,000 people, along with a form for them to return. The Revenue will then draw up assessments where extra tax is: ents where extra tax is

While the tax bill will come as an umpleasant surprise, the as income (something known fact that investors in the UK arm of Barlow Clowes are about to get their final pay-out will be a relief. The liquidators Clowes did not make it clear to recovered more than £50m of

investors' money more than a year ago (with interest, but less tax, that now amounts to £54.5m), but legal tussles prevented much of it being paid out earlier. This weekend, £18m is on its way to 7,320 people on top of the £18.6m they received at the start of this year.

Of the remaining money, over to investors in Barlow Clowes International, the off-shore part of the group, who were judged by the court to have a claim over it. That leaves just £3m, which is being held back in reserve in case the liquidators decide to start suing Barlow Clowes' advisers and bankers over the collapse. Some of this will also go to meet the liquidators' own fees.

The overall result is that 7,320 people have got back an average of around 70p of every \$1 they invested. Depending on when they invested, and the accounts in which their money was held, each investor will actually receive somewhere actually receive somewhere between 63p and 106p in the £1. That was the relatively straightforward part of the affair to resolve: the unfortunate 10,000 or more whose investments were held by the Gibraltar-based BCI will have to wait some time yet before the Barlow Clowes saga comes to an end.

# INVESTMENT TRUSTS

The Financial Times proposes to publish a Survey on the above on

### **7 October 1989**

For a full editorial synopsis and advertisement details, please contact:

### Richard Beccle

on 01-873 4181 or write to him at:

Number One, Southwark Bridge London SE1 9HL.

FINANCIALTIMES

## SIB scraps City rulebooks

THE EMERGENCE in the City of London last week of a proposed new approach to investor protection will send shivers down the spine of many people. This is because investors may suffer in the attempt to make life easier for financial firms. The overhaul of the

regulatory system, set up under the Financial Services Act, has been prompted by complaints from investment firms rather than by a desire to offer better protection for investors. Investment firms claim that the existing regime is costly and inefficient and that, ultimately, investors have to pay for this

The Securities and Investments Board (SIB), the chief regulator under the Act, has proposed a new system of regulation which would free firms from the huge and complex rulebooks that now govern almost every aspect

of the way they do business. The SIB's reasoning is this. Detailed rules encourage compliance with the letter, companies with the spirit, of the rather than the spirit, of the law. By greatly reducing the number of rules (to 46) and making them much broader, it will be possible to encourage investment firms to take a less legalistic, and therefore more conscientious, approach

to investor protection.
In addition to the 46 so-called "core rules," firms would have to abide by 10 principles - the financial equivalent of the Ten Commandments – requiring them, for example, to act with integrity and to avoid conflicts of interest. They would also have detailed codes of conduct, rather like the Highway Code,

to which they must adhere. This new structure is causing concern for several reasons. Investors now have

the right to take legal action against a firm with which they

deal for any breach of the complex rulebooks. In future, they will be stripped of this right (this will happen when the next Companies Act comes into force, probably in October) and will be able to take action only for a breach

of the "core" rules. In return for giving up these rights, consumers will have two extra forms of protection. First, the codes of conduct could be used as evidence in a court action to prove whether an investment adviser had stock to the core rules. The courts are likely to set considerable weight by adherence to the codes - just as they treat the Highway Code in relation to motoring

offences. Second, regulatory bodies will be able to take action themselves over breaches of the codes, or the 10 principles. Their powers include levying fines or suspending firms from doing business. Investors will,

in effect, have to put much greater trust in these so-called self-regulatory organisations (SROs). The SIB's gamble relies on both investment firms and regulators applying the spirit of the rules strictly. However, all of this is still

some way off. The SIB is inviting comments on its proposals by the end of September, and will draw up further suggestions after then, Also, the largest of the regulatory bodies, the Financial Intermediaries Managers and Brokers Regulatory Association (Fimbra), has no intention of scrapping its detailed rulebook but plans to hang on to it (something it would be allowed to do under the SIB's proposals). However, most private investors will not be affected until the SIB actually changes its mind and brings in its new regime.

R. W.

### FINANCE & THE FAMILY

BRITISH TELECOM'S results, which will be announced on Thursday, are expected to pro-vide tangible evidence of slower domestic economic growth and less buoyant inter-

national traffic. Analysts are looking for pretax profits in the region of m, indicating only a marginal improvement over the

£610m achieved last time. In addition to local and international operating conditions, BT's results will carry also the interest costs associated with the acquisition of a stake in McCaw Cellular, the US com-pany, which continues to make

heavy losses. Standard Chartered, the London-based international banking group, will be produc-ing its interim results on Wednesday. Like the recent clearers it will have to take a heavy hit for its Third World debt exposure, and the result is certain to be in the red. Warburg Securities analysts are forecasting an attributable loss

However, the main interest impact of the current downwill be the strategic plan swing in the US insurance

THE WEEK AHEAD

### BT looks on line for £620m

ney Galpin, has promised to unveil at the same time. After Its recent troubled history, Standard needs a fresh momentum and the City will be looking for signs of progress. In the shadow of the Consoli-

dated Gold Fields buyout, Hanson's third quarter results (due Monday) seem largely academic to much of the City –
most are more keen to speculate on possible disposal strategles than crunch pre-ConsGold numbers. House broker Hoare Govett is looking for £275m, up about 10 per cent from last year's £249m, and hroker Jamea Capel Is toward tha upper end of expectations with a £280m forecast.

Further indications as to the

eral Accident and Royal Insurance both report their halfyearly results on Wednesday.

yearly results on Wednesday.

The figures this week from
Commercial Union showed
that competition, particularly
in commercial lines, is becoming intense in the US, and both
groups are expected to report
higher underwriting losses
from the US and Canada,
where insurers are strangling where insurers are struggling against the authoritative controls in Ontario.

Recent good experiences in the UK are not likely to offset Royal's North American losses, though it should enable GA to hreak even. However, both groups are having problems with their recently acquired UK estate agency chains during the current depressed state of the mortgage market, and

£8m for GA and £11m for Royal In addition GA is counting the cost of sorting out the problems of the recently acquired NZI Bank.

Overall, Royal could see pretax profits down by as much as 40 per cent to around £93m, with GA just maintaining f152m. But despite lack of earnings growth, shareholders can still look forward to increases in the interim pay-outs from both groups.

Interim results dns on Wednesday for the sealing systems and engineering com-pany Laird Group are likely to show pre-tax profits between £19m and £20m, an increase of about 15 per cent from the £17.4m reported a year earlier. Laird surprised the City in April with its revelation that

fundamental accounting errors. made over several years at Metro-Cammell Weymann, the hns and taxi manufacturer now being broken up for sale, led to millions of pounds in losses being overlooked. WH Smith, the retalling

group, announces its full year results on Wednesday with analysts looking for pre-tax profits of £84m compared with £70.4m last time. The main retailing chain bucked the Christmas trend of depressed sales which affected a number of high street stores and should raise profits from £37.4m to £50m.

Our Price records, which recently saw the dismissal of all four of its original directors, has also had a good trading period. Disappointments are expected from the travel side,

however, which is expected to show increased losses. Similarly, the Do-It-All chain will have suffered from depres DIY spending and will register only a small improvement. Queens Moat Houses, the international hotel group, will announce pre-tax profits for

the half year of around £25m on Wednesday. The group has expanded rapidly in recent years and is building a strong presenca in continental Europe. Johnson Group Cleaners, the

largest dry-cleaning company in the UK, also reports interim results on Wednesday. This summer's spell of nnusually fine weather, however, may fine weather, however, may have dampened demand for dry-cleaning services — as Sketchley's recent results perhaps suggest. Warm weather and little rain, it seems, mean fewer trips to the cleaners.

Pre-tax profits may rise from £7m to £9m for the half. The strong textile rantal market

strong textile rental market will have boosted Johnson's activities in this field, and there will also be a good contri-bution from its US interests.

# RESULTS DUE PHIAL DIVIDE Evens of Leeds ... Howard Holdings MINNIN DIVIDENDE De Beers Consolidated Mines Ward Holdings Whitingate Lefeure Young Group Dividends are shown as penjeren share orip issue it is quarter agreet. © 3rd qu share gross.‡ Second interim dividend.

## Crackdown by Fimbra

FIMBRA (Financial Intermediaries, Managers and (Financial Association) announced this week its first suspension of an individually authorised member following a criminal conviction.

Roger Hardy Williams was suspended because of a conviction earlier this year on two charges of deception. Budd Hulbert Williams, the Maidenbead-based firm of which Williams was chairman, has been notified by Fimbra that it will be served details of disciplinary charges. Williams has resigned as chairman and severed all connection with the company - indeed he had no

other option.
The firm's "crime" is that it failed to inform Fimbra promptly that Williams bad been convicted of a criminal offence, as required under Rule 3.5.5. John Pinniger, of Fimbra's Communications Department, says that a week to 10 days is considered to be the accepted period for

ANYONE WITH a mortgage will not need to be reminded

that these are difficult times.

remain high until the end of

The banks' base rate of 14

Lawson, on May 24 to prevent

a run on sterling, may come down a little in the antumn

and winter, but that is about

the best that can be expected.

Anyone who came into the

of the boom in prices may well

find it tempting to ease their

payments hurden hy shifting to a low start mortgage.

These kinds of mortgage

are not new. However, in the

bave begun to offer increasingly flexible deferred

building society, for example, unveiled its deferred interest

mortgage in mid – July, which

allows borrowers to defer a chunk of their mortgage

payments - varying between 15 and 35 per cent - for

periods between three years

and 15 years, at the cost, of

course, of increasing their

Sun Alliance and First

Mortgage Securities launched a variable deferred mortgage

soon afterwards which gives

CLEARING BANK

Deposit account

BUILDING SOCIETY!

High interest access

NATIONAL SAVINGA

income bonds ..

Schroder Wagg . Provincial Bank

MONEY MARKET ACCOUNT

UK GOVERNMENT STOCKS

Index-linked 2pc199299

5pc Treasury 1985-89 ......

80c Treasury 1992 .....

10.25pc Exchequer 1995 ......

90-day

High interest cheque

High interest access ......

interest mortgages.

The Abbey National

last few weeks, several lenders

housing market at the beight

the year and very probably

per cent, which was slapped on by the Chancellor, Nigel

well into 1990.

notification. Harold Budd, a director of the firm, claims that it was a technical oversight. Apparently, Williams himself informed Fimbra of his conviction, but Fimbra also required the firm to inform it of the event

separately.
The raison d'etre of the financial services legislation was to provide protection for investors by weeding out those individuals and firms which the regulators do not consider fit and proper - in other words, the imcompetent and

the crooks. So far, the regulatory bodies seem to have concentrated on suspending those individuals and firms which cannot meet the bureaucratic requirements. It is refreshing to find that Fimhra, at least, has not entirely forgotten the reasons for its existence. Fimbra's message to authorised firms is that if they fail to inform the authorities that a member has incurred a criminal conviction, Fimbra will come down hard,

Easing a burden

borrowers the option of cutting the level of their

interest payments during the

first two years of the life of

or 3 per cent. After two years,

the loan by either 5 per cent

the loan reverts to a normal

arrangement. Royal Trust this week went

a step further and launched a mortgage product which is even more flexible. For a start

**David Barchard** 

looks at how a

new crop of low

start mortgages is finding favour with

hard-pressed

home-owners

it allows borrowers to pay above the standard borrowing

rate as well as below it, if they

The "Flexible Payment

Option," as Royal Trust call

their interest rate annually.

They are allowed to chose a

of the standard rate.

Compounded return

6.09 8.00 8.25 8.75 8.00 8.20 8.87

8.00 7.50 7.50

10.77

8.14 7.35

12.00 7.50 7.50

10.90

8.97 7.85

a fixed rate (he knows in

5.36 8.64 6.96 7.36

6.45 7.28 7.20 7.50 7.50

"Lloyds Bank Hallfax 90-day; immediate access for balances over £5,000.4 Special facility for extra £10,000

SSource:Phillips and Orew. SSAssumes 5.0 per cent inflation rete. 1 Paid after deduction of composite rate tax. 2 Paid gross, 3 Tax tree. 4 Dividends paid after deduction of basic rate tax.

monthly monthly monthly monthly

half-yearly yearly yearly yearly yearly

hat yearly

monthly yearly not applica

not applie.

monthly monthly

half yearly

half yearly

half yearly

advance exactly what all his

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

rate within a 4 per cent band

From the borrowers' point of view, this arrangement combines the advantages of

it, allows borrowers to select

variable interest rate

and publicise its action. If the charges against Budd Hulbert Williams are sustained, the firm could face penalties ranging from an admonishment to a restriction placed on its business, or could even be ordered to cease conducting certain classes of

husiness.

However, Bndd claims that Fimbra has indicated that it does not regard this particular offence as serious. Fimbra appears to be satisfied with the actual business operations of Budd Hulbert Williams; it has not issued a blanket Rule 17 suspension order egainst the firm, which is the normal action taken if Fimbra considers there is a real risk to the investing public of allowing a firm to continue

The firm is writing to all clients to explain and reassure them of the security of their investments. It is understood that Williams' offence occurred prior to the formation of the

However, many of the firm's customers ware personal clients of Williams, a common feature with small provincial financial advisers where one particular director or partner, and no other, bandles the business of particular clients.

monthly repayments are going to be) with the ability to

are low and defer it when they

reduce his debt when rates

"By paying more when he can afford to," says Neil

Redman, assistant manager,

made when rates were high

"the borrower can redress any backlog of deferred interest

and payments were reduced."
In other words, if yon judge

your situation correctly, you should be able to avoid the usual problem with low-start

mortgages, which is that after

the first two or three years,

monthly outgoings can rise

very sharply. What are the drawbacks?

One, of course, is that any

deferred interest will also

mortgage is redeemed early. Another is that these

mortgages are not available

to everyone.

Abbey National says that its deferred mortgage is aimed

at current home owners who are financially self - confident

savings than first-time buyers. They are also targetted at people with high incomes –

Royal Trust's scheme, for example, is available only on

mortgages of more than £100,000 — and the lenders will usually expect the borrower to have a fairly large

slice of equity in the property.

invested

500-4,999 5,000-9,999

50,000

1-250,000

500-9.999

5-100,000

100 mln. 25-1,000

10,000-24,999

2,000-100,000

2,000

10.000-48.999

(days)

3 mths 3 mths

and who have rather larger

have to be paid if the

are high.

Eric Short

### Eric Short on the problems of personal policies

## Pensions: the pitfalls

SEVERAL employees who took out per-sonal pension policies earlier this year in order to contractout of the State Earnings-Related Pension Scheme (Serps) and benefit from the Government's 2 per cent incentive payment, will find that their applications missed the May 17 deadline set by the Department

of Social Security.

This may be only a small percentage of the 3.5m employees who took out personal pen-sions between July 1988 (when they first became available) and the end of the 1988/89 tax year, but it does mean that they could have lost a good

investment opportunity.

More important, it highlights
the problems facing life companies and the Department of Social Security that have arisen from the overwhelming success of the new style personal pensions, particularly those policies used to contract-

out of Serps.

The problems start with the complax format of personal pensions used to opt out. These are single premium contracts, with the premium comprising three elements - the National Insurance rebate for contracting-out, the basic tax credit on the employee's portion of this rebate, and the incentive payment from the Government;

However, the employee is not involved in any payment. His employer makes the normal NI payments and the DSS takes out the rebate, collects the tax relief from the Inland Revenue and pays the money over, with the incentive to the life company or other provider. An investment opportunity where the investor does not have to pay out any money and where the Government is con-tributing is a salesman's dream - and needless to say, the

opportunity.
The sales effort was made in the final weeks of the tax year (some 2.5m contracts were taken up after the beginning of the year, with over half these coming in March and early April) and the administrative systems just could not cope with the volume of busine

salesmen made the most of this

It is not just a question of processing the application. Every person seeking a per-sonal pension contract has to be given a "cooling-off" notice after the sale, with 14 days in which to consider changing his or her mind and withdrawing

from the contract. This prolongs the processing time.

The Association of British Insurers and the DSS had agreed a timetable for processing personal pension applica-tions for 1988/89. The completed proposals, including the necessary employer declara-tion and the completed cooling-off procedures, had to be received by the DSS Newcastle administration by May 17, six weeks after the end of the tax

A six week deadline would seem sufficient, but nearly every life company is reporting a few hundred contracts that the DSS claims failed to arrive in time and which it is not prepared to accept. So these employees are still in Serps and have lost the investment opportunities available for the

relevant years. However, life companies are either treating the contracts as ordinary personal pensions, and pledging that they will make up the benefits after

allowing for Serps, or they are 'The problems start with the complex

format of the new-style personal pensions themselves'

cancelling the contracts and paying compensation. There is nothing else they can do. The DSS has separate problems, mainly concerning the calculation of an employee's

The Department has been accused by David Rothenberg, senior tax partner with the London accountancy firm, Blick Rothenberg, of short-changing employees over their personal pensions as a result of nnderpayment and lata

The basic problem for the Department is not that its formula or systems are wrong, but that the basic information. on an employee's earnings, on which these calculations are made, is incomplete or inaccurate. This information is provided by employers. There is little that the DSS can do other than persuade the Government to simplify the complex rebate

calculation. There is yet another problem. Employees are only allowed one personal pension policy in any year in order to contract-out of Serps, though they can have as many ordi-nary personal pensions as they

However, the DSS has received at least 60,000 duplicate applications to contractout. Either employees are being greedy for the incentive or more likely they are unaware of the restriction.

If the Department has not processed any of the applica-tions, it will contact the employee and ask which one he wants. But if an application has already been processed, that one stands and the others are returned to the provider with a covering explanation. What lessons can be learned

from these problems?
The first lesson, concerning failure to meet the deadline, is: for employees to submit appli

cations for contracted out per-sonal pensions early.

For most employees this should not be a problem. Although contracted out per-sonal pensions are technically sonal pensions are technically single premium contracts, life companies have designed them so that renewal is automatic unless the employee notifies them to the contrary, and the application for the current year will be made automatically to the DSS. cally to the DSS.

However, for employees con-tracting out for the first time; the message is take action early, even now. It makes no difference to the ultimate benefits at what time the contract is effected during the financial year. In any event, the life company does not receive the money from the DSS until after

the end of the year.
On the question of whether employees are getting their rightful due down to the very last penny, they could contact an expert who would check the DSS figures. However, it may not be worth the considerable effort involved, unless they feel very strengly about the matter.

Finally, remember that you can only have one contracted ticular year. So if you alread have a such a contract and wish to change life companies do not forget to inform the old life company as well as submit ting your application for 1989 90 to the new life company Otherwise you could find your self with duplicate

applications. How pensioners lose out Page V

· · · · · · · · · · · · · · · · · · ·	PHE		RY RE	SUL	4		
Company	Year	Pre	lest profit 13000)	Per st	Ange Arre (IN)	Divid	euge,
Ashleed Group	Apr	5.510	(3, 150).		(15.2)	2.5	(2.0)
Beales John	May	2,090	(2.080)		(27.8)	7.6	(6.3)
BTS Group	Mar	214	(86)	4 15	(1.57)	0.6	(4.25
Charterhelt	June	1\$,100	(8.400)	3.15		1.1	(1.0)
Compco Holdings	. Mar	1,240	(804)		(22.0)	8.0	8.00
Conson F	Apr	932	(751)	9.89	(8.11)	4.0	(3.0)
Dunton Group	May	. 1,110	(775)	3.55	(2.88)	1.0	(0.76
Jarvis J	Mar	2.390	(730)	8.0	(6.0)	2.25	(1.6)
Kingegrange .	Apr .	2.040 L	(170)		(0.61	0.75	(1.5)
Lynx Group		848 L	(388.1.)	A	- (-)	-	- (-)
McKey Securities	Mar .		(2,860)		(9.6)	53	(4.8)
Mid Wynd Int lav			-{1741}		(3.47)	42	(3.2)
Oceana Cons.	Mar		(479)		(5.20)	1.25	(1.25
Practical Invest		7437	(9821)		(4.92)	3.21	(4.2)
Prop Sec Inv Tat.			(5,830)		(5.34)	3.75	(3.25
TR City London		6,870 -	(3,240)	-3.50	(2.66)-		(2.65

	Hed year	Pro-les	profit	divis	erten fejstis
Company	46	023		Det a	Sec. 1
Altch Holdings	May		(85 F ##)		(-)
Anderman Resources	June	23 L #	(g·F 44)	··•-	. (~)
	- June -	2.200	(3.000)		(~)
Betscom	Inno	512	(951)	1.0	(-)
BOC Group	June#	238,800	(220,800)	N. W. C.	(-)
British Alcan Alum.	June	27,200	(27,000).		(-)
British Petroleum	Juness	752,000		7.3	(5.0
Bronupton Group	June	806	(279 L)	0.5	(2)
Bullions 127	Altra,	195	(237 L)		(0.5
Capital & Counties	Appe > *		(20,600)17	5.25	(4.2
Chieften Group	June	602	(644)	1.8	(1.6
Clayform Props.	June	8,050	(7.010)		
Cont. & Industrial	June 4	290,200	(1.11,400)		(7,2
COLLY W HACKBELLING		4,680	(4.440)	20.0	(20.
Jeres Estates	June	5,580	(5,350)	0.5	(0.3
	-June	3,690	(5.300)	.:	(-)
dinburgh Oll & Gas.		32 L	(36)		Θ.
Epwin Group	June	1,100	(808)	1.8	(1.6
airway (London)	June	340	(285)	1.0	(1.0
Fergebrook	June"	157			(-)
Foreign & Colonial	_ June	12,600	(10,910)	0.8	(0.7
Freeman Group	June - ·		(1,020)	2.75	(2.2
Frost Group	Juna	2,070	(1.440) .	5.25	(4.0
	· jaue.	110,000		7.5	(8.2
leywood Williams	June	15,310	(13, 100)	4.5	(4.0
lickson Intl.	June	20,430	(12,053)	2.6	(2.2
kıntingdən int'i	June#	4,200	(2,660)	7	(-)
ndependent News.	quuețţ	6,000	(5,019)	4.0	(3.3
ny. Tet. Guernsey	June:	718	(617)	0.5	(0.4
Celnwort O'seas knv	Junet	. 1,130	(1,030)	1.1	(1.0
lie Sciences ini'i.	June	3,700	(2,520)	0.8	(0.5
ondon Fortalling	June	6,500 L	(10,445)	2.62 .	(2.6
Manchester Ship	June .	. 3,670	(1.300)	-	(-)
Metal Bulletin	June -	-460	(503)	2.1	(1.8
Mirring Allied & Supp	June	398	(185)	-	(-)
erc .	Juge F	53,500	(36,800)	1.35	(-)
lecer Systems	. Juna 🗣	306	(446)	3.0 .	(2.5
leilant	Mar	30 1:	(13)	-	(-)
telyon Group	June "	1,870	(2.250)	. 2.1 .	(2.1
lotork	June -		(2.300)	3,5.	(3.2
	· June§§	2.020	(1.563)	-	(-)
ilmon Engineering	June	14,300 .	(11,700)	, 4.5	(3.5
with & Nephew	June .	. 64,400	(54,576)	1.74	(1.5
rencherwood	Apr	9,190	(6,040)	1.5	(1.3
R Pacific Inv. Tst.	June		(242)	-	(-)
litramar .	June	62,500	(22,700)	3.0	(2.5
VPP Group	June .	26,000	(16,150)	11.3	(5.4
Figures in parenthese:	for M				

## Unit trusts find favour

UNIT TRUSTS have a habit of popping up in various shapes and guises. In 10 years, inves-tors could find they have a unit trust mortgage (possibly a PEP), a unit trust pension plan, and private health or school fees schemes funded by

unit trusts as well.

Is this shift from insurance policy-based schemes to unit trust-based plans a good thing? Many investors may feel wor-ried, regarding unit trusts as riskier vehicles than insurance policies. However, a mova towards more unit trust-based schemes should be viewed favourably, on the grounds that they are likely to have lower charging structures and to perform better than unitlinked policies. Unit trust plans do carry a

risk - just like any unit-linked product such as an insurance bond - and there have been attempts to deal with this, either by building a guaranteed element into a savings plan or by rating trusts to make the investor aware of the level of risk. Even so, investors should spread their investment between markets, keeping a percentage in cash, and regard

A unit trust will always be riskier than a with profits policy where the value accumulates through bonuses, but long term it should perform substantially better. For periods of less than 10 years unit trusts are much more flexible since there are no withdrawal penalties. With unit trust PEPs, the investor now has the same tax-free benefits which a

10-year life policy offers, with-out being tied in long term.

Fidelity's Mary Blair fore-casts that, in 10 years, PEPs will be taking more than half the husiness which now goes into endowment mortgages (assuming the present tax treatment remains unaltered) while unit trust pensions may account for a third of personal pensions husiness.

Unit trust mortgages are similar to unit-linked ones in terms of risk, and offer the attractive possibility of paying off the loan early. Unit trust pensions offer a wide range of funds, including money market or gilt trusts which can be used to shelter gains towards the end of the term, although they do not have a with profits

The new private health plan from Kleinwort Benson opens further possibilities, with the monthly income from the unit trust investment being used to pay the premiums on health cover at special group rates. Unit prices and dividends can fluctuate; but since the premiums in this case are paid

out of income, the risk of dis-tributions falling to a level where income premiums could not be met is low. A recent income trust survey showed that only two of 98 funds made an overall dividend cut over the three-year period to the start of 1989, despite the 1987

market crash. The idea behind the Klein-

wort Benson scheme has already been copied for the aiready been copied for the payment of other types of Jia-bility. Henderson's Lifeplanner will package a full PEP (with direct shareholdings as well as unit trusts) to repay a mort-gage or school fees and to provide ordinary savings and retirement income. retirement income.

traditionally had an uphill struggle in marketing its wares, being up against the free-handed commissions paid by insurance companies. It looks as though insurance commissions are heading for the sky, while unit trust groups seem reluctant to fol-low, leading to a hig gap between the two. At the same time, people are growing more aware of the effect of charges on performance.

Phil Norman of the Savings Corporation says: "Histori-cally, trusts have been skewed towards risk, concentrating on high-risk equity markets, and so have not been suitable for the smaller saver."

The Savings Corporation is producing a range of plans using unit trusts and emphasising safety, although this phi-losophy attacks the very feature that makes unit trusts attractive. If you make them safar, by investing in fixed interest and unexciting blue chips, you lose the central advantage of strong performance through an interna-

tional spread of growth stocks. Christine Stopp

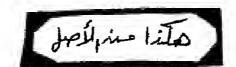
Ξ.	The actences and	Juno	3,700	(2,520)	0.8	. (0.5)	
X.	London Fortalting	June	6,500 L	(10,445)	2.62	(2.62)	
u	Manchester Ship	. June	.3,670	(1,300)	-	(-)	
d-	Metal Bulletin	June	- 460 ·	(503)	2.1	(1.85)	
ur-	Mirring Allied & Supp	June :	396	(185)	_	(-)	
ly	NFC	Juge F	53,500	(36,800)	1.35	(-)	
ıd	Pecer Systems	. Juns •	.306	(446)	3.0	(2.5)	•
S,	Reliant	Mar	30 1	(13)	-	(-)	
ĩã i	Relyon Group	June 1	1,870	(2.250)	. 2.1 .	(2.1)	
it .	Hotork	June -		(2.300)	3.5	(3.25)	
	Royal Dulch/Shell	Juness		(1.563)	-	( <del>-</del> )	
9/	Simon Engineering	June .		(11,700)	.4.5	(3.5)	
у.	Smith & Nephew	June .	64,400	(54,576)	1.74	(1.55)	
r-	Trencherwood	Арг	9,190	(6,040)	1.5	(1.31)	
e	TR Pacific Inv. Tat.	June	339	(242)	-	(-)	
	Ultramar	June	62,500		3.0	(2.5)	
t: i	WPP Group	June .	26,000	(16,150)	11.3	(5.4)	
	(Figures in parenthese	s are for th	e corresp	onding pe	riod.)		
	Dividends are shown	net pence	per sher	e except	where c	therele	•
;	Indicated: L = loss.	: Net reven	ue before	tax t No	t reven	Marie Sn	d
	quarter figures & 3rd	interim di	vidend.#	3rd quart	er flow	es.C Ne	ú
i	profits. Us dollars.	& cents.tt	Operating	forces.TT	irish p	ounds -	i

Group is to raise £5.1m via a 1-for-3 rights issue at \$5p.

RUGHTS ISSUES

OFFERS FOR SALE, PLACINGS AND INTRODUCTIONS aroup is moving from the Third Market to the USM. die Network is to join the USM via a placing of 2 m; shares at 200p. 

TA	KE-OVER	BIDS	AND J	MERGE	RS
Company bid for	Value of bid per share**	Market price**	Price before bid	Value of hid fine**	Bidder
	rices in pen		Olher wie	e indicate	pel
iva inv. Tet.	314*6	316	285	5.50	ERI
rängton Secs.	350	344	316	277.0	Brit. Aeroepace
AT inds	850	830	<b>694</b>	13.0bn	: Noylake
eacon Group	53*	52	46	25.3	Anglo Inva.
usiness M. Tell	83	80	65	12.45	Nykredit
ons. Gold Fide.‡	- 1530	1478	1253	3.46bn	Henson
esoutter Bros.	700*	680	541	<b>85.40</b>	Altes Copco :
oldberg (A:)	209	174	175	35.69	- Blacks Lelsure
nry Mer. Dev.	650°E	635	619 .	276.0	- Markelchiel
olius	190 \$	219	208	55.81	EP Securities
lyson	240°	232	221	195.7	Blue Circle .
lyson	20555	232	221	188.54	Yale & Valor
eccey	- 270°	268	276	2.0bn	GEC/Slemens -
resteich Hidgs.	140"	132	126	51.0	Busine (236)
andsworth Trust	. 325	317	309	188.0	Otterflow
ed Funnel	. 205	245	188	20.9	Sally UK Hidge
tead & Simpson	2155*	2150	1900	85.4	Chaylorm Propa
o "A" Non Ytg	152"	158	169	34.5	Claylorus Prope
libury Group	6069	660	562	122.4	Lifley
ard White	445*3	448	325	527.0	Books
lo Criv Pri	152'5	151-5	f17		Boots



### FINANCE & THE FAMILY

## Taxing time for a wife

IF A WIFE'S pension is not I noted that if a wife's earn-deemed to be earned income ings exceed \$32.75 a week, her for the purpose of the wife's earnings allowance, how is it: taxed - as her unearned income, or as a charge upon the husband's pension as earned income attributable to his contributions?

I believe that no tax charge would arise if the wife had made sufficient contributions in her own right at some time in the past, but my tax guide '88/'89 does not seem to cover

Having recently completed my application form for the state pension, I was surprised to find that I had to apply for a separate claim form for my wife, who is an "unpaid" housewife and below the age of 60. I thought at first that this would be a means-tested situation and that it would not be payable. I was advised to

In another published article,

### Waste of money

Act 1958.

MY SON died intestate five years ago and, after litigation, I obtained provision of £10,000 from his estate for his own son, a minor, the court giving me discretion to manage the me. discretion to manage the money until he came of age.

Since leaving school at 16, this grandson has shown himself to be inadequate and/or work-shy and it is apparent that, once it passes into his hands at 18, his inheritance will be dissipated quickly.

Would I have any possible

Would I have any possible means of getting the court to delay his taking control of the money until, say, 21 years of

You cannot withhold the capital of the trust fund after

### A tenant to treasure

I HAVE a tenant occupying a flat under the terms of a oneyear shorthold tenancy agreement (pre-1988 Housing Act). This agreement is up for renewal soon and I have read that, under the 1988 Housing Act, I cannot transfer her to a new assured shorthold ten-

What is my best course of action? Sha is an extremely good tenant and I wish to con. tinue letting to her.

If the letting which was granted in 1988 was an assured. shorthold tenancy, then you MY DAUGHTER is selling her freehold property but the pur-chaser's solicitor discovered are free to grant a new assured shorthold tenancy under the Housing Act 1988 to follow on from the previous shorthold tenancy: section 20(3) of the 1988 Act prevents the grant of a new tenancy only where the previous assured tenancy was

### **Defensive** action

THREE TO four years ago, my neighbour put up a 6 ft-high fence. As we have always have been good neighbours, I did not pay much attention. But I realised later that the fence encroaches on my property and takes away some space. My neighbour promised last year to re-set the fence hut changed his mind, so far as I

can judge. What steps should I take to make to rectify the position if another friendly approach does not succeed?

m if your neighbour will not move tha fence, your only recourse is to seek an injunction in the County Court to restrain him from leaving his fence on those parts of your land where it encroaches. You can prove the correct boundary line only from plans (if any) of the two properties and the oral evidence of eye-witnesses who knew the previous situation.

### **Entitled** to money back

. 1. 763

NAME OF

FOUR YEARS ago, as a condition of having a default judgment set aside, I was ordered to deposit £2,000 with the plaintiff's solicitor. The order does not say in what capacity it is to be held. After two years, and a voluminous correspondence, it became clear that the claim was unjustifled and so they have made no move to bring an action. Can I get the action struck out and get my £2,000 back? To what costs would I be entitled? Would I be allowed interest? myou should now apply to the court to have the action against you struck out, and the money deposited with the plaintiff's solicitor repaid to you with interest. This should be the interest carned on the \$2,000 if it actually was placed on deposit: If not, you could claim interest at the standard rate now awarded on damages: 15 per cent. You would be entitled to your costs in the action, taxed on the standard basis (High Court) or the appropriate scale (County Court).

pension of £24.75 is not paid despite the abolition of the earnings rule. I assume that

earned and uncarned would be synonymous in this case? The wife's pension is deemed not to be earned income for the purposes of the wife's earnings allowance, but is treated as her earned income for all other purposes. As you say, the posi-tion would be different if (or to

was based upon her own con-tributions. In your own case, until your wife is 60 she will not be entitled to a pension. In the meantime, however, your own pension may be increased by an allowance in respect of your wifa's dependence. No; "earned" and "unearned" are not synonymous in this con-

without an order of the court varying the trust. It might be

depend on the precise form of

the order and of the settlement of the fund. Alternatively, a variation might be sought under the Variation of Trusts

Act 1958.
In either case, it might be prudent to seek to substitute a protective trust for your grandson's life (if necessary, with substantial powers of advancement of capital). If the fund is still under £30,000, the county court has insectioning under

court has jurisdiction under

BRIEFCASE

that the garden had not been incorporated in the land certif-icate. The solicitors dealing

with the sale have since been incorporated with another

All this has caused delays in

completion. My daughter's bridging loan has had to be extended and her solicitor's

costs have obviously risen. What redress has she against the solicitors who acted for

her, and what steps should she

It seems very likely that your daughter will have a claim for negligence against

the solicitors who acted for her. She should consult a dif-ferent firm of solicitors to pur-

sue the claim. The change in

time. She should, however, act

Fail-safe

procedure

MY SAVINGS are invested in a building society and I have it in writing that, in the event of failure, there is a "statutory scheme which provides protection of 90 per cent of the first £20,000 of investment."

Is there a catch to this?

Also, if savings are spread over two or more societies and

both fall, would the same rate

of compensation apply to both? And from where would the money come to finance

The statement is correct it

is founded on statutory provisions, namely sections 24 to 27 of the Building Societies Act 1988. If two huilding societies

fail, you would be entitled to

the maximum compensation

(£18,000) on the totality of your

accounts at each society if each total amounts to £20,000

or more, so £36,000 would be

Correction: The address of the

building societies ombudsman was given wrongly in Briefcase

two weeks ago as 3 Savile Row, London Wi. In fact, this is the

address of the Building Societ-

ies Association. The correct address for the ombudeman is

Grosvenor Gardens House,

85-37 Grosvenor Gardens, Lon-

don SWLX 7AW.

such a scheme?

take?

the extent that) her pension

matic protection.
Usually, these private schemes guarantee increases at a low level (normally 3 per cent, but sometimes 5 per cent) and leave any further pension increases to the discretion of the trustees. The cost of these increases is funded either from the surpluses in the scheme, or by the employer, or both. As the table shows, in the dark days of the 1970s and possible to go back to the court under the order made in the original action but thet would

RETIREMENT can be a

surprisingly traumatic

is more stressful than Christmas, the death of a friend, moving house or the

birth of a first child, but less

stressful than the death of a spouse, divorce, marriage or going to prison. The build-up of stress shortly before

someone retires can even

affect performance at work.

Each year, about 500,000

eople retire in Britain but

to prepare adequately for what

According to a recent survey

pension group which also is the leading supplier of pre-retirement courses, 97 per cent of personnel managers questioned said they thought

was important. However, only

provide any form of guidance:

pre-retirement counselling

35 per cent of them actually

and, in some cases, counselling might consist simply of a half-hour chat.

provide counselling conside

it a waste of money, usually because they think their

employees are too young to

need advice and they are not

mefit the staff but not the

Keith Hughes, author of a book called Making the Most

counselling services at L&G,

of Your Retirement\* and director of retirement

thinks this view is

prepared to spend £100-£120

a person on courses which

er cent of th

The survey found that 19.

is sometimes dubbed the longest holiday of a lifetime.

many companies fall short of helping their employees

experience, it seems. According to one survey, it

TONY NEWTON, the new Social Security Secretary, might be wise to use the summer parliamentary recess to study the accompanying table closely and, above all, to make sure he understands its impli-

The table shows the results of the latest survey carried out by leading consulting actu-ary R. Watson & Sons among its clients to see how company pension schemes compensate

for the eroding effects of inflation when pay-out time arrives.
It reveals that while trustees are increasing pensions, tha rises are not, on average, sufficient to restore the real value of pensions to the level provided at the time of retirement.

A company scheme provid-ing pensions linked to an employee's earnings at or near retirement provides benefits that are inflation-proofed while the employee is working. The vast majority of public sector pensions provide inflation-proofing when the employee retires by revaluing them auto-matically each year in line with the rise in the retail price index (RFP). But it is very rare for private sector schemes to provide such complete autoprovide such complete auto-

the trustees. The cost of these

Too few company schemes are making proper allowance for the ravages of inflation on payments to the retired, says Eric Short

# How pensioners lose out

early 1980s when inflation was rampant, the discretionary pension increases made by trustees fell well short of what was needed to offset inflation. For example, a person retiring in 1969 saw the real value of his pension dropped to a nadir of 62.1 per cent of its original

Thereafter, the financial sit-uation of company pension schemes started to improve

dramatically and produced substantial surpluses. Trustees started to use part of these to increase pensions by more than the relevant rise in the RPI, thereby restoring partially the previous years' shortfall.

However, companies have

also been using much of the surplus to take a contribution holiday — ceasing temporarily to pay money into the scheme.

As the table shows, restoring pension values has been grad-ual, even though many schemes were in a position to have made much higher pay-ments; and, for many people, the real value of their pension is still well below the original

In 1988, many companies did no more than match inflation, even though company pension schemes are still in a healthy

	Average cu its original	rrent pension purchasing po	ension as a percentage of asing power at retirement		
Retirment at end of	1969	1974	1979	1984	
Purchasing power at end of	%	%	%	76	
1970	97.4	_			
1971	92.1				
1972	90.4				
1973	88.4				
1974	80.7				
1975	74.0	86.4			
1976	71.2	81.7			
1977	69.6	79.0			
1978	68.6	80.0			
1979	65.0	75.0			
1960	63.9	72.4	92.5		
1981	62.1	70.2	89.0		
1982	63.6	71.9	90.0		
1983	65.6	73.9	90.5		
1984	67.6	75.3	90.9		
1965	71.1	77.3	91.0	98.2	
1986	74.8	79.9	91,9	98.6	
1987	78.0	83.0	93.5	99.2	
4000	70.4	00.0	65.6	07.0	

financial position and the companies themselves continue to enjoy contribution holidays that could last several more

Such a situation is highly unsatisfactory. Pensioners should have first call on the surplus of a scheme until the real value of their pensions has

been restored fully and then maintained on an annual basis. The problem is that pensioners do not air their grievances with a common voice. Usually, they have no direct representation on boards of trustees, so there is no one there who can put forward their interests

Second, many pensioners

All too often, when they receive an increase they write letters of thanks to the trustees or pension administrator instead of checking to see if the rise has restored the value. Tony Newton's predecessor, John Moore, commissioned the

Occupational Pensions Board

seem unaware of the problem.

(OPB) to investigate the rights and interests of employees and employers in occupational pension schemes, its report has heen at the Department of Social Security since January. Newton must now decide

whether to act on it or treat it the board and leave it on the shelf to gather dust.

Board chairman Jeremy

Rowe claimed when he presented the report that the days of discretionary pension increases were numbered. Yet, the OPB was prepared to recommend only that companies should aim at a "limited price-indexing" (LPI) of RPI increases, up to a limit of 5 per

cent a year.

Even then the board refrained from recommending that such a modest target should be mandatory, urging simply that it should be adopted as good practice.
As the Watson survey points

As the Watson survey points out, if a pensioner who retired in 1969 had received only LPI increases, his present pension would be worth just 37.7 per cent of its original value.

While waiting for Newton to make up his mind, trustees should be re-examine their policy towards pensioners who in towards pensioners who, in turn, should start making their views known to trustees. The conclusion drawn from the Watson report is that the Government needs to take action

far stronger than that recom-mended by the board. \*Copies of the report ore obtoinoble free from Russell Smith, R. Wotson & Sons, Wat-son House, London Road, Rei-gate, Surrey RH2 9PQ.

Sara Webb on the reluctance of employers to help their workers prepare for the stress and strain of retirement

## The longest holiday of all

short-sighted. More and more people are considering taking early retirement (even though the Government might prefer them to stay in harness beyond age 65); thus, they need to plan their finances

well in advance. By the year 2,000, it is estimated that over half the population will be aged 50 or more, and will own 60 per cent of the nation's private assets. Many will have inherited property from their parents, giving them considerable spending power.

"We've had to move the clock back from 65 to 35 because of early retirement so we tend to run more. mid-life courses," says Del Pasterfield, manager of welfare and benefits at Ford. Ideally, he says,

take place three to five years before departure. Ford, regarded as one of the more experienced companies

when it comes to pre-retirement advice, provides courses, written material and personal counselling on such matters as pensions. Recently, it started to encourage workers to attend adult education classes to help them develop new hobbies and outside interests.

Hughes says: "Many people imagine they will retire at 55 but, in practical terms, they may not be able to because their pensions fall short of their requirements and would need massive additional contributions." Accountancy firm Deloitte Haskins & Sells points out that people need to decide in plenty of time about such matters as whether their present rate of savings means they can afford to retire at 60 or earlier, and if they are taking too much risk with

their investments. A separate survey conducted by Gallup for L&G suggests that, in theory, people are willing to pay extra contributions and are aware that they are likely to retire early. For example, 66 per cent of employees agreed it was pension contributions now so that they could enjoy their retirement sooner rather than

later; and 67 per cent said that

the fear of having to retire early on a poor pension was a good reason for paying-in extra money beforehand. However, few seem to follow their gut feelings. Only 22 per cent of employees questioned had actually started to pay additional contributions into their company pension



Pre-retirement courses can wire a plug when your hands are arthritic to managing your finances or using time constructively. But, for most people, the main concerns tend to be questions like "will 1 be bored?" (especially true for the sort of managers who regarded their job as their

hobby) and "how will I cope on my pension?"
L&G advises people to look carefully at their company pensions to see if they need to make additional voluntary

contributions (AVCs). Hughes course to prepare a budget sheet calculating their income

and spending during employment, then to forecast how these will change once they have retired (for example, they will no longer be paying National Insurance or fares to work). Other subjects covered

include state benefits. inheritance tax and health advice. Which?, the magazine of the Consumers' Association, has just produced an excellent

action pack called Finance Your Future – a Mid-Life Guide to Financial Planning for Your Retirement,\*\* to be

published next week. Ford's Pasterfield believes post-retirement assistance is equally important, although few companies provide follow np advice for their former employees on pensions or retirement homes. Ford gives its pensioners the same henefits as employees – for example, discounts on cars and oo health and accident schemes, as well as membership of social and sports clubs. It also runs a visiting scheme so that it can keep in touch with people once they have retired.

Companies which do provide counselling regard it as part of their duty as caring employers. Hughes makes the point that it also improves staff loyalty, especially among skilled workers; sending employees for a couple of days to a hotel at the employer's expense for a pre-retirement course is seen as a another benefit like BUPA, company cars and luncheon vonchers." Or as Alan Murphy, group Halifax Building Society, says: "It is a way for the organisation to say 'thank you' for many years of loyal service.

\*Moking the Most of Your Retirement, by Keith Hughes, is published by Kogan Page

\*\*Finance Your Future o Mid-Life Guide to Financial Planning for Your Retirement is published by the Consumers Association and Hodder & Stoughton at £6.95.

### EXPATRIATES

### CGT — the good news

the partnership of the original BRITISH expatriates who decide to resume UK residence solicitors will not prevent a claim being pursued against after several years' absence are likely to find that the financial those who were partners in the firm which dealt with the purscene has altared almost chase hy your daughter at that beyond recognition, particularly when it comes to capital quickly as her claim could meet with difficulties under gains tax. These CGT changes may be of immediate concara to expatriate families in cirthe Limitation Act if her pur-chase was more than six years cumstances where one of the spouses (usually the wife) remains a UK resident as a result of the time she spends in Britain and, in many cases, by retaining a place of aboda

there.
With effect from April 1988, neither these families nor UK residents have had to pay CGT on any gains which had accrued up to April 1, 1982. Gains arising after 1982 already had been made subject to full relief for inflation. Only in cases where both spouses are UK residents will the individuals benefit fully from the intro-duction of independent taxation in the next tax year: for the first time, they will be assessed separately on their respective capital gains, each being entitled to an exemption (on present figures) of £5,000 per annum.

As a result of the larger CGT exemption, expatriates who are about to resume residence in tha UK will be placed even better than before to avoid liability. This is because the realisation - or "bed and breakfasting" - of all assets on which substantial capital gains have accruad befora expatriates again take up UK residence enables them to start

with an entirely clean sheet.
Those expatriates whose status as not resident (NE) or not-ordinarily-resident (NOR) lasts for less than 36 months will need to eliminate gains in a previous tax year in order to avoid a liability nn capital gains

As is customary in fiscal

exacted a price for these liberalisations for, with the aboli-alisations for, with the aboli-tion of the separate 30 per cent rata, capital gains will he charged as an addition to income in future. However, relatively few married comples will suffer the resulting top rate of 40 per cent, given both the dual £5,000-a year exemp-tions and the fact that the excess gains plus taxable income for either one (or both) would have to amount to at least £23,485. Unfortunately, some useful

loopholes have also heen closed in recent years. Those planning to return to the UK can no longer invest in off-shore umbrella funds to their advantage. These funds have now been brought into line with their UK counterparts, which means that a switch from one sub-fund to another by a person resident or ordi-narily resident in the UK is a chargeable event for CGT pur-

Also withdrawn is the right of donor and donee to alect jointly that gains which have accrued to the former within a gifted asset can be "rolled over" so that the recipient pays tax only when he or she dis-poses of the gift.

As the law stands now, married people with different residence statuses often can use the fact to improve their joint CGT situation. This is because, being geographically sepa-rated, the law treats them as though they were not married.

This "fiscal divorce" has the result, for example, that if a NR/NOR husband who inteods to retire to the UK shortly transfers an investment property (which he owns and intends to retain) to his resident wife, she is deemed to acquire it at market value and not, as is usual for gifts between sponses, basically at

Needless to say, great care is necessary when organising such matters as the Inland Revenue will not overlook any flaw in your arrangements. And if you wish to make use of this situation, you must bear in mind that there is a time limit Detailed changes resulting from the introduction of independent taxation will, from April 6, 1990, eliminate the concept of geographical separation and, with it, both the special treatment described and the resulting tax savings. However, the converse case

 in which assets enlarged greatly by gains are trans-ferred to the NR/NOR partner (thus allowing him or her to dispose of them tax-free at a later date) - will remain avail-The resideot and ordinarily

resident spouse should also consider using his or her maximum entitlement to invest in personal equity plans (Crown servants are the only non-residents who qualify).
Until this year, there was lit-tle point in doing this since the

NR/NOR partner could, in all probability, make unlimited and entirely tax-free invest-ments offshore. However, the ability of oew-style PEPs to provide a stream of income without affecting the right to tax exemption changes is important for those planning retirement in Britain.

The resident partner can now prepare for this by building a portfolio capable of retaining its exempt status indefinitely. Obviously, the longer the period before retirement, the bigger that tax-sheltered fund can be.

Donald Elkin

■ Donald Elkin is a director of Wilfred T. Fry Ltd of Worthing, West Susser. No. 1 in its Sector

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This concentration on both capital and dividend growth has resulted in Trague leader performance. For the twelve months to 30th June 1989 St. Andrew Trust was the best performing investment trust in the smaller mpanies sector."

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Andrew Directors have always stressed their belief in the long-term advantages which smaller companies have over their larger more unwieldy brethren. A yachr is more responsive to rouches on the helm than a barge. The first responsive to rouches on the neuronal half of 1989 confirms our strategy.

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### MINDING YOUR OWN BUSINESS

The luck of the Irish . . . Kieran Cooke tracks down three entrepreneurs who combine a country lifestyle with commercial success

## Opportunity Knocks for Gerry

religious epparitions at Knock a small village in the west of Ireland. Knock hes heen a place of Roman Catholic pilgrimage ever since.

Gerry Leverty, designer, architect and craftsman, is well versed in the story. Based in one of the more remote corners of County Donegal in the north west of the Irish Repub-lic. Laverty is at present designing and huilding the entire interior of an "Our Lady of Knock" church – for export

"It all started when I was making a few Irish souvenirs — copper and woodwork items.

The fellow marketing them in the States happened to be from Donegal. Next thing he asked me to design a shop front for him. I made it and shipped it out to East Durham in upstate New York. Then the Irish community there asked if I would work on the church. It was all by chance and good luck - no

Laverty is the most easy-going of people. Born in the Falls Road in Belfast, after art and architectural college he started his own design and architec-ture business. "I'd come to Donegal most weekends. There was quite a community of us. We were part of the 60s culture, all thinking about getting out of the rat race. Then when the 'Troubles' started in North-

ern Ireland in the late 60s I said to myself Why go back to Belfast?"

Laverty sold his husiness and moved his family to Done-gal. "For e while we lived a great life. I did things I always wanted to do, such as carving, stained glass and metal work. But then, as the money started to go, panic set in."

Some sales success was achieved with high-quality Irish artefacts, mostly sold to the US, but fluctuations in exchange rates put paid to that. Then along came the

frontage made in Donegal, complete with carvings and paintings, is now part of an Irish goods shop in New York. Sales in the US encouraged

business at home. Laverty was commissioned to design and huild traditional Irish style shop fronts in Dublin and elsewhere. But the export of the "Our Lady of Knock" church is hy far Laverty's higgest project, worth more than \$250,000. The Irish Government's Industrial Development Authority helped with some grant aid and premises. Laverty now employs 17 people and has had difficulty finding the skilled people necessary for the

thurch project.
The church has taken a year to complete. Two of the Laverty deughters heve done much of the work on about 70 stained glass windows for the church. Laverty himself has carved mora than 20 statues. Workers at his small factory

have been putting in more than 40 hours overtime per week recently in order to get

the project finished.
"Two container loads of material, including everything from the tabernacie to a 22 ft spire, are going out to the US. The funny thing is that the architect I'm working with over there is Jewish. And I've over there is Jewish. And I ve made it plain that I am not a particularly religious person. But the community is great. It has just said 'Go ahead'." Laverty is now hecoming involved in other projects in the US. An American Irish

hotelier wants Irish-style fittings shipped from Donegal.
There is the possibility of work
on an Irish cultural centre,
also in New York State. Laverty is considering the idea of working on house interiors in the States. "If we can export churches, I don't see why we can't do the same with

There is also the chance of

another big church order. An American Roman Catholic Monsignor has approached Laverty for advice on design-ing up to 40 churches in Flo-rida, not for the Irish community hat for Hispanics.

"Apparently the church is losing a lot of Hispanics to the fundamentalists. So it's investi-

gating ways to make churches more appealing to them." Laverty admits that business so far is profitable, although he is a little concerned at his own success. "I love it in one way. I don't think I could be doing such adventurous things anywhere but here. There's something about the mental spaciousness that Donegal, its wildness and heanty, gives you. But on the other hand I realise that I just have to keep growing and finding new pro-jects for the factory. It's a hit daunting at times.

E Laverty Design Workshops, Dunkineely, Co. Donegal, Ireland. Tel. Donegal 37178.



Gerry Laverty in his factory in Donegal

## The 'queen of soap' cleans up

SO MANY people in Ireland are wortled about the neighbours. They are afraid to get out and do something different." Peggy Connolly, self-made Cork husinesswoman, is one of a growing band of Irish women who are throwing off the traditional bonds of Irish society, using a combination of charm and entrepreneurial flair to achieve

Connolly is Ireland's "Queen of Scap." Her "Irish Breeze" soap has, in two years, managed to capture 8 per cent of Ireland's soap market, "Irish Breeze" is made up of Connolly

an answering machine and a small office in a warehouse in Cork. Peggy Connolly's career took various turns before the slide into soap. In the 70s she worked in insurance. She then trained as a Montessori teacher and opened her own school. Business enlightenment came in California, where her husband was working on an engineering contract. "Women would come to me on the tennis court and talk

about how much they liked the Irish soap. I checked at the local supermarket. Though the soap they were talking about used the word Irish and had green packaging, it was actually made in New York." Connolly's native pride was outraged by the prospect of a US company benefiting from the Irish label, which is a hig selling point among the 40m US citizens who claim Irish descent. "I found that not only did we not export soap, the home market was also entirely dependent on imports."



The Industrial Development Authority (IDA), Ireland's government hody for assisting home-grown industry and promo-ting inward investment, funded a feasibility study into soap manufacture in Ireland. "The cost of setting up a manufac-turing plant was too high. Subcontracting was the answer. I eventually found an international company based in Ireland which was willing to manufacture the

Connolly spent Irish punts 20,000

(21710,000 personal savings, the remainder made up of an IDA grant and loans) on having a special soap mould made in Italy. The "Irish Breeze" name was thought up around the kitchen table hy Peggy, her husband and two daughters.

Connolly knows the value of publicity. She persuaded the Irish Minister for Industry to officiate at the launch of "Trish

try to officiate at the launch of "Irish Breeze" in 1987.

Her soap is distributed through a Dublin firm. The total Irish soap market is worth firem, and "Irish Breeze" plans to capture 50 per cent of the market within the next three years. Connolly says that there is a growing awareness in Ireland about the need to support home-grown industries.

"Mine is a niche product, a product for those who want to bny Irish."

An "Irish Breeze Natural Pure Soap" has just been launched. Connolly claims that it is the first 100 per cent pure soap on the Irish market, and with growing health consciousness it has great growth potential.

Some export plans have gone by the board in the face of unexpectedly huoyant sales at home. "Obviously we cannot stand still. But the more I'm in the business, the more I realise that good marketing is cru-clal. We have to have a strong home base and build up capital to afford a push into a market like the US."

■ Irish Breeze, Colmore, Woolhara Park, Douglas Road, Cork, Ireland. Tel: Cork

PETER MANTLE has been fishing in Ireland since he was five years old. Four years ago, aged 33, he bought a fishery in what is considered to be the last unspoilt valley in the west of Ireland. He now lives there permanently, with his wife. permanently with his wife, running a husiness that he admits will never make him rich — "But we have a great lifestyle and plenty of fun."

Peter bought Delphi fishery,

on the fringe of Connemara, in County Galway, for £200,000. Incinded in the sale were three lakes and one and a half miles of river, 600 acres of land, a semi derelict lodge plus a num-ber of derelict cottages and

Now the long-neglected fishery has been revived, and both the lodge and a series of cottages created out of the dere-lict outbuildings are full with fisherpeople and visitors who come to enjoy the stunning scenery of the Delphi valley. Along the way there has heen considerable financial

trauma. After graduating from Cambridge with a law degree, Peter, now 37, went into accountancy — "a very had move." He eventually moved into journalism, specialising in writing about the financial

"In 1985 I was over in Ireland looking for a holiday cottage. I

## Just happy going fishin'



Peter and Jane Mantie outside Delphi Lodge

saw Delphi and bought it, selling my flat in Islington and scrounging off my father and whoever else came along."

Bnying Delphi was one thing. Doing it up was another. "We needed about £1r500,000 to carry out all the work. Most lenders just shut the door. I thought I would have to sell. But family and friends came whole thing reverts back to me

up with the idea of syndicaup with the local of syndra-tion, letting out some of the fishing rights and cottages for 12 weeks per year on the basis of 30-year leases. That meant I could raise capital without the fishery being entirely taken over by a wealthy syndicate, as often happens in parts of Scot-land. It also means that the

when I'm 55."
Such a syndication scheme
had never been carried out in
helend helore and was complicated to arrange. Eventually
the ICC Bank agreed to back
the scheme and fire00,000 was

the scattere and firefo,000 was reased.

Last June, Peter, an Irish citizen, got married. The day after his wedding he and his wife Jane, who had meanwhile done a Cordon Bleu cookery course in Dublin, opened Delphi Lodge for business. This is our first full season, and even though a lack of rain means the fishing is not up too much, business is going very well, says Peter.

Running the fishery, monimising the fish stocks, investing in boats and equipment is an expensive husiness and Peter does not expect to do more than break; even. We hastcally earn our living from accommodation and food. It has not been easy and in summer we get frazzled trying to cope, But I would not swop or sell this place for anything."

Delphi Lodge Leenane, Co. away, Ireland, Tel: Galway

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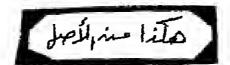
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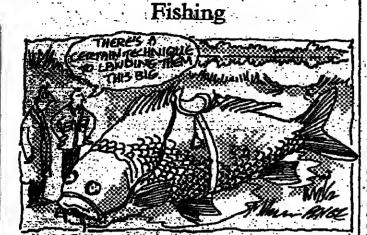




### OUTDOORS/MOTORING

## A Shogun that rules the road

This 4x4 is cheaper than a Range Rover and feels nicer to drive, too, reports Stuart Marshall



### It's carp that count - not the divorce!

Tom Fort on a very subtle prev

EVERAL months ago, Kevin Maddocks, one of Britain's foremost anglers, won £150,000 in libel damages against an angling newspaper which had accused him of filching fish from someone else's pord. It would be nice to believe that the size of the award reflected society's regard for fishermen in general, as well as for Mad-docks in particular. Maddocks makes his living

out of fishing. But he also occupies an honorary position as chairman of the Carp Anglers Association. It might not sound much hut, within the sport, it bestows on him an almost priestly status.

The carp is not as other fish. For one thing, it grows to immense size - as much as - and has strength to match in addition, legend has attributed to it unequalled sagacity and cunning. As a result, the pursuit of carp is not so much a recreation as a vocation – even a sacred duty. Author Arthur Ransome rved that the man who

observed that the man who fished habitually for carp had a "strange look in his eyes." He added that he had shaken hands respectfully with the man who had caught the biggest carp in England, a man who looked "as if he had been in heaven and hell and had nothing to hope from life."

Indeed, for many years big carn.— fish of 20th or more.——

Indeed, for many years big carp.— fish of 20lb or more— was a stampede to some carp. were regarded virtually as less hole, and much bitterness, cautioned that the beginner—the fish are cherished like could expect to fish for 1,000. Arab thoroughbreds The initiatours before catching his first carp. Albert Buckley's 26lb—or "Fred") and they are caught fish, caught in 1930, held the record for two decades.

But, in 1952, Richard Walker, Britain's greatest fisherman, landed his record fish of 44lb. He wrote of the moment when.

1 14 11

200

He wrote of the moment when, in the twilight of a September dawn, his senses first absorbed the creature's size: "I knew it was big, and suddenly it dawned on me that it was more

than that. It was tremendous!" These days; a carp of 40lb no longer astonishes the fishing world. A handful are caught each season. But the mystique of carp fishing and the dedi-cation it inspires among its fol-

FEW grandmasters have had

such an unsympathetic press from later generations as Wil-helm Steinitz, first champion of the world from 1886 to 1894.

Steinitz became the No. 1 offi-

cially only at age 50, was

crushed twice by the much younger Lasker in the mid-

1890s, suffered from hearts dis-

ease and a chronic knee injury, and died destitute. Thus, he is

depicted often as just an irrita-

hle, cranky and quarrelsome man who stayed on the scene

In the context of his full career, Steinitz emerges as an articulate, original thinker. He

was a fearless competitor who never dodged dangerous rivals

MY FIRST hand today comes

1532

from a pairs event which I managed on a cruise ship a few

lowers has, if anything, inten-

The carp enthusiast does not say to his wife: "Just off for a couple of hours' fishing." He announces on Friday evening in a quiet, exalted tone that he will not reappear until Mon-day morning. And should he return from his 60 hour vigil over his electric bite alarm to find the house empty, and a letter from his wife's solicitor speaking of "an alienation of affections," he will shrug his shoulders — and go back to ciling his seel.

I do not have the moral statute to the second of t

ure, to fish for carp. Many years ago, my brothers and I. used-to make occasional noc-turnal forays to an overgrown most where carp fived. They weren't very big but they were very difficult to catch — or, very difficult to catch—or, more likely, we were very inexpert carp fishermen. The last time we went there, we used floating bread order and caught both members of a resident pair of tame geese (both released unharmed)—but no fish.

Were I to fish successfully for big carp, I should not dream of telling where I did it. Fantastic secrecy surrounds such places, and ludicrons ploys are adopted to maintain it. Some time ago, a man who caught a big carp disclosed a false location for his triumph

lynching.
To the unfortunate multitude who know nothing of fishing, a specimen carp would doubtless appear alimy, clammy, gross and useless. Myself? Although temperamen-tally unfit to fish for them, I still love them. I side with Isaak Walton (and I'm aure Kevin Maddocks would concar): "She is the queen of rivers, a stately, good and very

Range Rover and its two main rivals, the Mitsubishi Shogun and Isuzu Trooper, are lovely and isuzu Trooper, are lovely touring cars if you go four up and might want to venture off the beaten track. They cope with any road, however rough or steep. Everyone sits upright comfortably in big seas and can see over hedgerows. There is measured of is masses of luggage room. Make sure you have your credit cards handy, though. They can be thirsty. The long-wheelbase Shogun I drove on a

wheelbase Shogun I drove on a 700-mile round trip to Wales last month was the new three-litre varsion with an exhaust catalyser. It kept up with the 80 mph (130 kmh) stream on the M4 as effortlessly — and almost as quietly — as a conventional estate car but it used one gallon of unleaded petrol every 19 miles (14.8 1/106 km).

This is per for the course. This is par for the course.
The official figures suggest a
3.5-litre V8 Range Rover, fitted
with a front spoiler which has
to be removed for serious offroading, might be only marginally less thirsty on the motor-way. A 2.6-litre Isuzu Trooper'a

consumption is the same as the The only way seriously to reduce a hluff, high-slung 4x4

AT PRICES ranging from about £13,000 to £48,000,

are not exactly all things to all motorists but they do cater

for a wide range in incomes

The 318i Touring (£13,470) is the entry-model version of

a five-door estate car at the polo sticks and hunting saddle, rather than plastic begs full of rubbish, end of

Its performance is sensibly

the dearer and much more potent 2.01 and 2.51 Touring

fig. 13,115. And the place where the inggage or the dog goes still has a velour carpet. The BMW 535i Sport Auto (pictured) which I drove in the recent heat-wave had

air-conditioning, which adds £2,207 to the £29,950 price but

is worth every penny to a

user-chooser (providing the

finance director agrees). It ·

is said to have a top speed of 146 mph (235 kmh). More

important to me were instantly-responsive handling, seemingly unlimited reserves of road-holding, and enough

models which cost up to

brisk rather than theoretically shattering but, when at rest, anyone could mistake it for



estate's fuel consumption is to have one with a diesel engine. More of this in a moment.

You hear hardly a sound from the Shogun's V6 engine or five-speed high/low range transmission, which is used in

BMW's tasty trio

acceleration to dispose of any

Ride comfort on poor roads

obstruction safely.

suffers a little from the stiffened suspension and ultra-wide wheels and tyres,

but I found the 5351 Sport

asiness-type motoring. Anti-lock brakes, an easy

to use on-board computer, hip-hugging sports seats and

slippery and the driver's right

foot too heavy - plus buffalo leather upholstery. Together,

they boost the price by £2,577

wonderful car for anyone who

wants two-pedal control, every amenity, and four seats with

luggage space to match.
The third BMW to come my

way in recent weeks was a

7501, the shorter wheelbase

version of the V12-engined

750IL which many reckon is the world's best top

air-conditioning as standard,

journey from Tours to Calais

which made my autoroute

moment It has

Auto pure enjoyment for

standard. My test car had extras like ASC (auto stability

control — it prevents wheel-spin if roads are

to £32,527 - but what a

really enjoys driving and

rear-wheel drive on the road. under 70 mph (113 kmh) but The enormous Bridgestone on/ off-road tyres rumble now and increases at higher speeds as the window glass in the driv-er's door is sucked outwards again on coarse surfaces but are nothing like so noisy as by the air flow. their bold tread pattern would suggest. Wind roar is subdued Independent front suspen-

sion and a coil-sprung back axle give an almost car-like ride. The V6 Shogun handles rather like a a car, too, once you get used to the dead feel of tha power steering. Everything about it is effortless. The brakes and clutch are as light as a small car's. The windows and monster sun-roof are operated electrically although, surprisingly, the exterior mirrors are not. It has central locking, with a fascia button to open the rear door. Cruise control and a limited-slip rear differential are steadard. tial are standard.

The interior is as swish, and has as much wood veneer trim, as that of a Range Rover. There are two sideways facing folding seats if you have to travel seven-up. And at £20,089

(including a three-year, unlim-(including a three-year, unlimited mileage warranty), the Shogun V6 with the Diamond option pack is £3,600 cheaper than a manual Range Rover Vogue. It costs £9,600 less than the poshest Vogue SE, which is sold only as an automatic.

Although it is not quite so fast (if that matters) as the 3.5litre V8 Range Rover, I find the Shogun nicer to drive. It wallows less on corners than the softly-sprung, heam-axled Range Rover and the controls are much lighter. Diesel engines suit big on/

off-road estates. They curb their thirst by 20 per cent – more if used for frequent short journeys or in town traffic -at the cost of some loss of acceleration. All three (Range Rover, Shogun and Trooper) may be had with turbo-diesels of 2.4, 2.5 and 2.8 litres capacity

respectively.

The Range Rover's Italian
VM engine is the most power-

The five-door Shogun V6: effortless performance and so quiet on the road - but, little on the thirsty side

ful but also the roughest and noisiest at low speeds, when it lacks pulling power. But as the turbo-charger starts to cram air into the cylinders at more tban 2,000 rpm, it quietens down and flexes its muscles. On the motorway, a Range Rover TD is a real goer. In traffic, you notice the heavy clutch and gear-shift.

Both the turbo-diesel Shogun (which also is inter-cooled) and Trooper are quiet and pleas-antly driveable at low speeds, with light controls. On the motorway, you could helieve they were petrol-engined. It is possible to have the hest of hoth worlds: a diesel Range Rover with almost as much performance as the petrol V8 and even better fuel economy (up to 30 mpg /8.4 l/100 km) than the off-the-peg turbo-die-

I drove one a few weeks ago. It was powered by a 3.5-litre, four-cylinder, direct-injection Nissan diesel which fits under the bonnet as though tal-lor-made, pulls like a train and runs very smoothly. I rated it by far the best Range Rover diesel conversion I have tried, and much better than the standard product.

The Nissan diesel could be The Nissan diesel could be retro-fitted into a new Range Rover for £4,150, plus VAT, some of which would be offset by selling the V8. Most huyers so far bave been owners of "brain dead" Range Rovers, their engines worn out by beavy towing but otherwise fit for another 100,000 miles of bard work. Sales and installations are handled by SMC. tions are handled by SMC Industrial Products, Bristol Road., Hambrook, Bristol BS16 1RY (tel. 0272-701-314).

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his first career as a journalist 'and fought his own corner as a chess professional.

subtle fish."

He was already de facto world champion by 1866 when he defeated Andersson, and confirmed his status with tour-nament and match victories over major rivals. Despite these excellent results, Steinizbecame dissatisfied with his play, resolved to change his style and, within a few months, switched from a tactician to a deep strategist.

caps. Unlike several later champions who came from well-off backgrounds, Steinitz was the youngest of a large Jewish family. He abandoned explained in a lucid column in The Field, included the avoidance of holes caused by doubled and isolated pawns, accumulating small advantages on any part of the board. and using the results of the board. His innovative concepts,

potential of cramped positions. What brought him down finally against Lasker was a combination of age, ill-health, and stubborn reliance on dubiand studeour reliance on dub-ous opening systems. Lasker said later that the thinker was beaten by the player, but this comment rather belittles Stein-itz's playing success. From 1862 to 1894, ha won 24 matches in a row, a record which no other player has approached. Play over a selection of Steinitz wins and you will find some of them surprisingly modern, as in this week's game where he anticipates strategy

which became fashionable 100 years later.
White: W. Steinitz.
Black: J. H. Blackburne.
Ruy Lopez (London 1878).

1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-QR3; 4 B-B4, N-B3; 5 P-Q3, P-Q3; 6 P-B3, White has already announced his strategy as a

closed centre and the knight manoeuvre QN-Q2-B1-K3-B5, so P-KN3 and B-N2 could may be a better plan 7 P-KR3, O-O; 8 Q-K2, N-K1;

Postponement of castling in favour of space-gaining pawn advances was one of Steinitz's novel ideas in closed positions. The sequence 1 P-Q4, N-KB3, 2 P-QB4, P-B4; 3 P-Q5, P-K4; 4 N-QB3, P-Q3; 5 P-K4, B-K2; 6 N-B3, O-O; 7 B-Q3, N-K1; 8 P-KR3, P-QR3; 9 P-KN4 — from a 1967 game, with Spassky White – is a parallal from the Old Indian Defence.

9 ... P-QN4; 10 B-B2, B-N2 (better B-K3); 11 QN-Q2, Q-Q2; 12 N-B1, N-Q1; 13 N-K3, N-K3.

to a close. West opened with the ace of

He now played the heart ace, dropping East's queen — that was a relief — and started to

cards, it makes no difference and cashed his king. Now, he had to lead away from his diamond queen into declarer's

E. P. C. Cotter

This allows the exchange of his defensive hishop, but 13 ... P.N3: 14 N-Q5, BxN: 15 PxB, P.KB4: 15 PxP, PxP: 17 B-R6 and O-O-O also gives White a

coolly comfortable when the

thermometer stood at well over 30 degrees C.
Although a little shorter
than the 750iL, it still has

ample rear seat leg-room and

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their borror stories of unexpectedly large servicing bills, although it is fair to say that a quality car needs skilled attention to keep it in perfect condition. This rarely comes

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really) is alongside the firm's

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filter change for pre-'82 316 and 320i models; and £210.51

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the same massive boot. It costs

strong attack.

14 N-B5, P-N3; 15 NxB ch,
QxN; 16 B-K3, N(1)-N2; 17
O-O-O, P-QB4; 18 P-Q4.

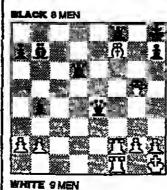
Opening up the centre for
White's hishop pair, and
starting an attack against the
dark squares round Black's
kins. king. 18 ... KPxP; 19 PxP, P-B5; 20

P-Q5, N-B2; 21 Q-Q2, P-QR4; 22 B-Q4, P-B3; 23 Q-R6, P-N5; 24 P-N5! The winning break-through. If PxP: 25 NxP, N-K1; 26 KR-N1,

N-N4; 27 NxP; 24 ... P-B4; 25 B-B6, Q-B2; 26 PxP, PxP; 27 P-N6! QxNP; 28 BxN, QxQ, If QxB; 29 R-N1 wins the queen, so Black could resign 29 BrQ, B-BS; 30 KR-N1 ch, B-N3; 31 BrP, K-B2; 82 BrR ch, PrB; 38 N-N5 ch, K-N1; 34

PROBLEM No. 785 Max Euwe v. Sir George Thomas, Hastings 1935. White (to move) is a pawn up; but

KR-K1, Resigns.



what really counts is that both players have lurking back row and long diagonal threats. How should the game go? Solution Page XV

Leonard Barden

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without more ado, South jumped to six spades and all passed Every North-South pair, bid the little slam but most Souths failed to make the

♠ A K Q 8 6 4 ♥ A Q J 7 ♥ A 4 ♣ A

South dealt with both sides

answered with two diamonds,

so denying the values for a positive response; but when South re-bid two spades, he

table, crossed to his ace of rubber bridge: clubs and led the heart queen. If West covers, South can ruff with dummy's knave of spades and make the slam. West, however, played low and dummy ruffed with the spade three. East overruffed and the three. East overruffed and the diamond return defeated the CJ 64
The winning line, which I AKQ vulnerable and opened with two clubs. His partner

hearts, ruffed the seven on the

demonstrated later to the players, is quite simple but, at the same time, very satisfying. After taking the opening lead, declarer should cash ace and king of spades, then the ace of clubs, cross to the spade knave and return the club queen on which he throws his losing

West wins and leads another

West was the diamend knave, dummy played the queen, East covered and the ace won. The declarer cashed his ace of knave of clubs.

\$ 53 \$ 9642 A 10 2 10 6 3 2

The second hand occurred at

South dealt at love-all and started with one heart. West doubled, North raised to two hearts (which does not mean much), East came in with two

spades. South want to four hearts (which surely was opti-mistic) and West's double for penalties brought the auction

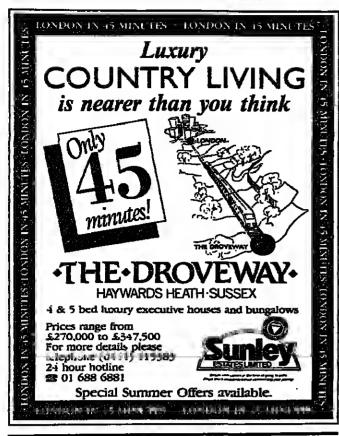
clubs and followed with the king, which was ruffed in hand. Cashing his two spade honours, the declarer ruffed his third spade in dummy and ruffed a club in hand, dropping the queen on his left.

count the hand. West seemed to have a 3-3-4-3 hand pattern so South led a diamond. West put np the knave and the ace won. The 10 of clubs was returned and ruffed with the eight of hearts.

West overruffed - if he dis-

split tenace and the contract was made. Played excellently!

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#### Westminster, president of the Game Conservancy, the red "king of gamebirds, grouse,

provides the most testing and exciting form of shooting." Last year saw one of the greatest grouse-shooting seasons for 50 years, which is why the prospects are so patchy this year, for good grouse years are often followed by crashes. Many days' shooting on

grouse moors in the north ofEngland have already been cancelled, and shooting parties have turned desperately to estates in Scotland, where one of the problems this

year is strongylosis, caused by a worm parasite, which can have a disastrous effect. Dr Peter Hudson, head of the Game Conservancy's upland research unit, says: The over-all effect on some grouse popu-lations — notably in the northern Dales - has been so large that it can cause e 95 per cent fall in the number of grouse available for shooting."

However, long before they

are old enough to fly over the butts today, grouse are faced with a variety of other hazards. The most serious is the loss of heather, as a result of afforestetion or over-grazing hy sheep, cattle and deer. The results of good heather

management can be seen on the 12,000-acre Bollihope Moor in Weardale, County Durham, which is owned by one of the Al Maktoum brothers, rulers of Dubai. Here shooting records bave been broken in the past five years, with bags even bet-ter than in the 1930s or at the turn of the century. Elsewhere, however, the loss

of heather has caused a decline in grouse numbers. This is why organisations such as Savills, the estate agents, and the Sir Joseph Nickerson Heather Foundation are sponsoring the Game Conservancy's grouse research project on Lord Peel's 32,000-acre Gunnerside estate in North Yorkshire. For the past three seasons, the 1,800-acre Hall Moor in Swaledale has been ring fenced and divided into six test areas to discover the best management techniques for heather restoration, in order to maximise grouse numbers.

Despite these setbacks, there is no lack of demand for good sporting estates, though the best change hands privately. Savills sold the 3,000-acre Egglestone Moor in Teesdale, North Yorkshire, for more than £2.5m; and the 50,000 acre Mar Lodge estate near Balmoral in Scotland was bought by Ameri-can businessman John Kluge,

## PROPERTY



A closing date of August 24 has been set by Bidwells for best offers over £2.5m for the 3,546-acre Pitt

# High cost of the glorious 12th

Grouse moors and sporting estates are holding their prices well, says Michael Hanson

head of Metromedia, for £7m. Now the Rothesay Trust, a wholly-owned subsidiary of David Hardy's Globe Invest-ment Trust, has paid more than £3m for the 14,000-acre Skibo Castle estate in Suther-land. Bought in 1898 by Andrew Carnegie, it was owned by the family trust until 1982, when it was bought (with 19,000 acres) by Derek Holt for over £2m. He instructed Finlayson Hughes to sell it earlier this summer without any publicity.

John Bound, a partner in the Inverness office of Finlayson Hughes, which has also sold a 300-acre grouse moor without a word of publicity, explains:
"Provided the right people are
supplied with the right information, it can be possible for even the largest properties to

be sold entirely privately. Angus Crow, a partner in the Edinburgh office of John Clegg and Co, which has just sold Edmund Vestey's 21,000-acre

heads estate, which many con-North Lochinver estate in western Sutherland for well moors in England, but these particular drives have been lightly shot in recent years. Even so, Savills and joint agents Davis and Bowring are likely to achieve close to their over £750,000, expects offers of above £200,000 for the Forestry Commission's 2,400-acre Delnabo Moor, west of Tomintoul, in the Grampian Mountains. The moor has not been keep-ered, but it lies between two guide price of £450,000. well-known moors, Inchrory and Dorvack, which have seen

good recoveries in grouse stocks in recent years.

Another Scottish estate where the shooting rights have hardly been exercised in recent years is North Abernethy Forest. This is an estate of 1,725 acres in the Upper Spey valley, about ten miles from Aviemore, for which John Clegg expect offers over £1m.

Back in England, the sport-ing rights over more than 3,000 acres of common land in Northumberland are on the point of being sold by the trustees of Lord Allendale. Wellhope Moor and Heatheryhurn Moor are outlying parts of the Allen-

and Parker, who probably less more shooting than anyone else, has pheasant shooting at 21,500 a day per gun for a 100-bird day, plus VAT and his 7.5 per cant commission. sider to be the finest grouse The late Anthony Vander-

Those who cannot afford to buy a grouse moor may prefer to rent some shooting, though a 100-brace day for six to eight guns can cost £1,000 per gun, plus VAT and the agent's

"Don't expect to find much gronse shooting available at this time of year, however," says Roddy d'Anyers Willis, of Savilis' Brechin office. "Most people renew their lettings every year, and any spare days are usually let by Easter." If grouse are in short supply this year, pheasant and partridge are likely to be in abundance when their shooting seasons.

open. Jamie Illingworth at Strutt

vell, a former chairman of the Came Conservancy, owned one of the best pheasant shoots in England: the 1,427-bore Well Barn estate, near Streatley, Berkshira. This has its own private double valley and has been run in recent peace and private syndicate of province 12 days' shooting of 400 to 550 blots with a single transper. birds, with a single keeper, Roger Foden, who releases more than 4,000 pheasants and about 600 French partridges

each year. The estate has been sold privately through Knight Frank and Butley by the Vandervell family trustees to an unidentified English businessman, who is said to have paid 15m for the privilege of owning a residential, sporting and agricultural

estate only 55 miles from

London. Iondon.
In Scotland, however, the Lothian family trust failed to receive acceptable offers for their Oxnam Row estate man Jedbergh by the closing date of July 26. Enight Frank and Rutley are now seeking offers over £300,000 for the estate, which the offers over £300,000 for the estate. where the phediant shoot extends over 2,210 acres.

A closing date of August 24
has been set by Blowells for
best offers over £2.5m for the
3.20 acra Physicarden estate
near Rigin, Morayshire, where 1,500 pheasant and partridge are being reared for this

Finally, the Wildfowl Trust has just bought 77 acres of wildfowling land at Welney, Norfolk, known as the Hun-died Foot Washes, to add to its adjoining holding. Bidwells, the agents, were inviting offers in the region of £150,000 for the property, which attracts over 40,000 wildfowl a year.

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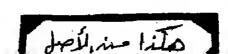
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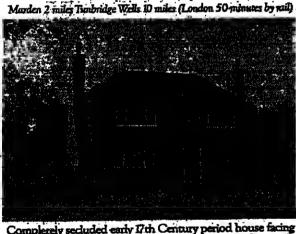


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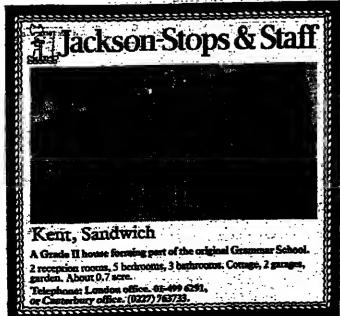
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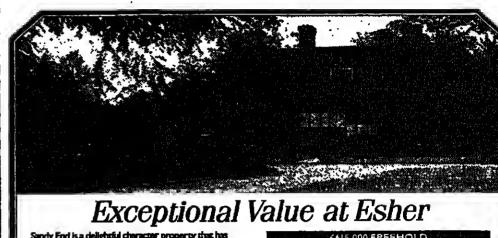
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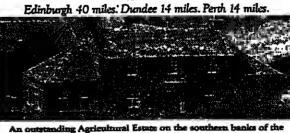
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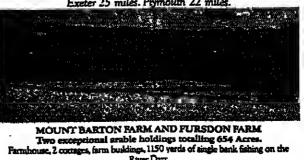
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hlocks petered out it halted,

beside a drah marketplace selling old shoes, kitchen utensils and the other datritus

of a poor urban society. Leaping indignantly into the

oow. Here is market.'

"Well, I'm going there. Now."

The other passengers, including a cintch of academic experts on central Asia, were beginning to drift away into the flea market and the interpreter's confidence was growing. He shrugged.

With four other refuseniks I

With four other refuseniks I marched self-righteously down the road to find a taxi. A

Russian professor hastened up to explain that the authorities

had detected yellow fever in the hazaar. Maybe. Hashish and heroin, more likely.

through the city and crossed the Kara Kum canal, the longest manmade waterway in

the world and lifeline of the

Soviet republic of Turkmenistan. Out in the

desert, the temperature was

climbing to 110 degrees F in the shade. It was a summer

Sunday morning. Hushands

and wives were stuffing fat-tailed sheep into the boots

of cars and hitching baby

camels to the bumpers. Animals and vehicles kicked

up the sand against the breeze-block wall of a huge

compound and people squeezed through the gate where two militiamen Idly stood guard.

was covered with a dazzling

carpet of humanity; several

thousand Turkmen women in traditional ankle-length dresses of red, violet or bloe

with patterned headscarves over their hlack hair. From a central throng of young women stretched long lines of

mothers and grandmothers

squatting in front of their wares: herbs and spices, silver jewellery, kaftans, hags, carpets, felts and kilims.

Inside, the naked concrete

It was not the first collision in the history of the Silk Road. The taxi took us hack

### TRAVEL

#### Collisions on the Silk Road north towards the canal and the desert, the bns continued eastwards into the new city. Where the cracked concrete apartment

Christian Tyler takes the hard route to the cultural melting-pot of Turkmenistan

Road are picturesque – the Uzheks' free market in Tashkent or the Hui Muslims' road, I confronted that interpreter. "Turn the hus round," I shouted. "We're supposed to be going to the desert hazaar, not some fleat kiosks in western China — and some may be bigger. But the sight of these tall Turkic people flocking together at a desert crossroads as their nomadic predecessors have done for centuries strikes the European with the force of a physical blow. It is a real The interpreter smiled guiltily and started to improvise. "Sorry, that place is closed. Is closed two years culture collision. No wonder the guardians of socialist He knew I knew he was lying. "Of course," he added, "I do not know this place. You see, I am oever going there."

"Well, I'm going there." achievement, who prefar to display their minority races in well-drilled, folkloric groups,

tried to take us elsewhere. The weekly bazaar takes place outside Ashkhabad, a place outside Ashkhabad, a Russian city built in the oasis under the Kopet-Dagh range that marks the northern edge of the Iranian plateau. Look northward from Ashkhabad and you will see nothing but desert for 400 miles to what is left of the Aral Sea, half-emptied by irrigation and poisoned by chemicals.

Ashkhabad lies on one of the ancieot trading rontes that

ancieot trading rontes that linked the Mediterranean to China, collectively known as the Silk Road. I visited it in the company of a group of European and Asian scholars collected by Unesco, the United Nations agency, which is preparing a three-year project of expeditions and publications to remind the countries of East and West of their histories. and West of their historical debt to each other.

History can be seen as one

long series of collisions: not just the schoolbook clashes of kings, armies and empires but the unrecorded daily encounters of traders and thinkers, craftsmen, farmers, artists, travellers and missionaries. The Silk Road was a 4,000-mile transmission belt along which goods and ideas were passed from hand to hand, from one market or watering place to the next. Occasionally the plodding camel trains were swept aside by cavalrymen - Huns, Turks, Arabs, Mongols - trying to force the pace of history. But these conquering nomads, once dismounted, were usually soon bsorbed into the culture of their new surroundings, and the small change of commerce

For anyone without a special interest in central Asia's complicated history, a visit to



The mausoleum of the Sultan Sandzhar in Merv, Soviet Central Asia

the region might seem nnnecessarily like a punishment. The temperatures are extreme and the risk of illness from the poisoned water is very high (nearly a third of the Unesco group was afflicted and one was admitted to hospital with dysentery). But the determined traveller will discover plenty to excite his curiosity. For the collisions still continue on the Silk Road. Central Asia's colonisation by European Russians 100 years ago is vividly recalled in tha acacia-lined avenues of Ashkhahad itself. Half the women out shopping are women out shopping are indigenous Turcomans, tall and graceful in their traditional dress, Beside them march the lumbering Russian housewives with padded hips and thick white calves under

Increasingly ontnumbered, the city-dwelling Russians are understandably alarmed by the recent explosion of racial strife on the fringes of empire and hy the possibility of a nationalist, Moslem revolt. There is no sign of that yet, but symptoms of the Communist Party's fear

about the broadcasts coming over the mountains from Iran. Religious hellef is now countenanced, so long as it remains a private affair. The imam of the only "official" mosque in the capital expressed his satisfaction that the Moslem rites of birth, marriage and death could now be charmed without panelty. be observed without penalty. (Not that the people ever gave them up). But he followed that

include its revival of atheist

instruction and its warnings

with the cagey observation that "the only difference between the Communists and us is that they don't believe in God and we do".

The hahits of Homo Societicus die hard on the edge of hisempire. In Moscow they are throwing caution to the wind. A young civil servant stands in Red Square, pointing out Stalin's burial place and says: "That's where they put the bastard." The slogans and hoardings have come down, there are one-armed bandits in the foreigners' hotels, youths tout for taxl fares at hugely inflated rates and the numbe of prostitutes openly soliciting for custom has soared.

In Turkmenistan, however, I found the old Soviet art of the "not possible" is still flourishing. Evasion, fabrication, disinformation — anything to prevant the outsider seeing anything that had not been pre-arranged for the official programme. It was difficult to tell sometimes who was really putting up the barriers, but I suspected the whaedling commissar from Moscow had a hand in it. Behind the mask, the local people proved to be charming, dignified and humorous. They are proud of their hospitality

a nomad tradition which
dictates that you must not ask the visitor the purpose of his stay until at least three days

have passed. It took more than three days of lobbying, however, to open the doors to ancient Merv, a

visited by westerners.

Among the monuments scattered over a strange and desolate plain outside the modern city of Mary is one of the largest mausoleums in central Asia, the tomb of the Suitan Sandzhar-suho died in 157. Also well preserved a the smaller tomb of Muhammed Ibn Zaid, set in a grove of feathery saxaul trees from which votive ribbons flutter. Most of the conquerors of history have marched into the Mery cests – the Achaemenids of Persia, Alexander of Macedon, the Arabs and the son of Genghis Khan at the bead of his Mongol army. The eroded mudbrick fortress of Kyz-Kala, with its huge truncated columns, dates back to the 6th century BC.

truncated commans, dates back to the 6th century BC.

One of the most sacred sites of Islam stands nearby, the 18th century mosque dedicated to the the Suli saint Yussul Hamadami. In spite of official denials, it turned out that this is a working mosque. According to the old med hovering in its shade, about 3,000 worshippers turn up each Friday and on important feast days the crowd swells to 40,000.

Another ancient empire. Parthia, is commemorated in the mountains above Ashkhabad, where a mound set within ramparts the size of a Ashkhabad, where a mound set within ramparts the size of a small volcano is all that is left of the royal palace and city of Nisa. If nothing else, the place demonstrates how the Parthians controlled the central stretch of the Silk Road for several centuries before the Roman and Chinese emperors learned of each other's existence.

existence.
Also outside Ashkhabad, but mlikely to be on any tourist.
Itinerary, is the mound that
reminds the Turkmen people of
the coming of the Russian reminds the Turkmen people of the coming of the Russian empire. Geok-tepe is the hill where the Turkmen warriors — the only ones to resist the Czar's expeditionary forces— were finally crushed with great loss of life. According to a roughly-made monnment in the capital's central park, the Turkmen were voluntarily joined to Russia I was told that the monument was on no architect's plans and appeared overnight. Because it does not exist, no-one has thought it

necessary to remove it. But that time may be coming. The Silk Road in central Asia, away from the organised tours to Samarkand and Bokhara, is not for the physically frail or the fainthearted. Yet it must be counted one of the most rewarding of the world's empty places to visit. History is still being made there. TRAVEL BUSINESS

## Charter chaos

THE 150,000 or so holidaymakers who have still to fly on a Paramount Altways charter flight to the Meditoranean and beyond this summer can breathe a collective sigh of relief. Concerted action by tour operaturs and accountants from the Dondon firm of Spicer and Oppenheim this week prevented whis would have been a major disaster for the travel trade.

Paramount, one of the main chirter flight operature, was complex dispute with thur operators Redwing. Intaum, and Owners Abroad were payment of fees for ferrying their customers abroad.

Last Monday, however, the airline's creditors persuaded the High Court in appoint an administrator. Spicer and Oppenheim, to run the bustness during the peak holiday season and then sort out its finances. Had this not kappened, it was probable that the airline's charter aircraft would have been tied up in legal wrangling. The tour operators

in the season. However, accountant Reger Powdrill has managed to keep the airline flying with the co-operation of Paramount's staff and tour companies. Several thousand helidaymakers have already been flown by Para-

appointed. appointed.
He remains confident that, if such co-operation continues, the charter siriline can meet all its obligations to the tour companies ever the mext few weeks. "We are over the first

make sure we can maintain the flight programme."

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Eliot's Stoeeney Agonistes received its first perfor-mance in an upstairs room at 9 Great Newport Street near Leicester Square, The production was by the Group Theatre (nothing to do with the American Group Theatre formed around the same time), the director was a ballet-dancer named Rupert Doone, the masks were by Robert Med-

ley. Eliot had been rather chary of Doone as a director. He had at first liked and then loathed the Group Theatre production of Auden's The Dance of Death, written with Doone in mind to dance the main part, the previous year. In the event Eliot was more than pleased with Sweeney, while among the audience were two more poets who had started to write for the stage and who were similarly impressed by the production; one was W.B. Years, the other Bertolt Brecht.

For one brief shining moment it looked as if the

Group Theatre with Doone as its director, Medley as its designer and Herbert Murrill as its composer would become the venue for new plays by Yaats, Eliot, Audan and Brecht; but it did not quite work out like that.

A few months before, Eliot had been asked by E. Martin Browne, a director with a strong commitment to religions drama, to write some scenes and choruses for a pag-eant-play about the building of a church, The Rock, and he had also received the commission from the Canterbury Festival that prompted him to write Murder in the Cathedral. It was Browne not Doone who was to become Eliot'a theatrical mentor for his entire career as a

Meanwhile in pre-second world war London various rivals to the Group as venues for alternative theatre began to make their marks. There was

## Drama when poets grouped together

Anthony Curtis on Auden the playwright

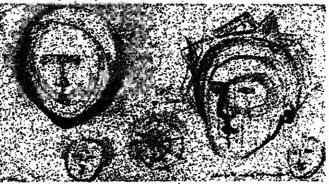
PLAYS AND OTHER DRAMATIC WRITINGS 1928-1938 by W H Anden and Christopher Isherwood edited by Edward

Mendelson Faber & Faber £25.00, 680 pages

the London Theatre Studio run by Michel Saint-Denis whose uncle was Jacques Copeau. Ashley Dukes (Marie Ram-bert's husband) had acquired the small Mercury Theatre to inaugurate a renaissance of poetic drama without any admixture of politics; he tried to woo Yeats away from Doone.

In spite of all this in-fighting, Doone was still left with a bril-liant band of trumps for his new Group Theatre seasons.
The wealthy actor and impresario, Anmer Hall, made the
Westminster Theatre available
to him. Doone's chief writer was Auden working in collaboration with Christopher Isher-wood. They were joined later by Louis MacNeice and Stephen Spender. Doone's choice of Murrill to compose most of the music instead of Andan's choices, Tippett and Britten, then aged 21, seems at this dis-tance of time, unfortunate. The beneficial effect of Isher-

wood's revisionary blue-pencil working on Auden's first drafts dashed off at lightening speed may be seen in this collected edition of their Plays, edited by



Theore of Death: The Group
Theore of London in the
Thirties (Faber, 1984) I am
much indebted. There are also
patient reconstructions by
Mendelson of the excisions and
revisions made by Auden to

many of the texts, often at

Doona was amazed by Auden's facility. The poet was capable, in order to bridge a

gap in the narrative where a whole scene had been cut, of producing a completely new set of verses during rehearsal. There are several different vertices

sions of the ending of The Ascent of F6, none of which

the American scholar Edward ndelson. It is the first voltime to appear in what will be the the Complete Works of Auden, under the Faber imprint in the UK, but printed initially by the Princeton University Press who have made a fine job of it, with a nice cloth binding in burgundy for this volume and gilt lettering on

The volume contains much hat has never been published before, let alone produced; it gives the texts of the poems Auden wrote for the films made or mooted by the GPO Film Unit and the Group Theatre's own Film Group, Coal Face, Night Mail, Negroes, The Way to the Sea, Londoners.

really work.
The most thorough-going revision was undergone by a play called *The Chase* which Auden completed in 1934. It is It also has a number of appendices containing manifes-toes and lectures which Auden work abounding in high gave on the drama, and an essay on the Group Theatre by spirits and in high camp; pri-vate jokes bristle from a plot Michael Sidnell to whose book that concerns a deserted leadmine, a reformatory school, and a young man in disguise as a dog. Auden was dissatisfied with it as soon as he had finished it. He sent it vis Spender to Isherwood, then in Copenhagen, who suggested slashing everything except the canine disguise motif and a complete re-wite.

The result was The Dog Beneath the Skin given at the Westminster Theatre, directed by Doone, in 1936. Though the reviews were not universally ecstatic it suggested, with its eloquent state-of-the nation

eloquent state-of-the nation choruses by Auden, and its depiction of rural life, that the Group was capable of some-thing more substantial than mere Berlin-style cabaret thea-tre; it is the best of the Group Theatre plays and the one which our present National Theatre should revive.

The later full-length plays were even more ambitions, but their pristine topicality has tarnished to dullness: P6 which was done on radio fairly recently with Britten's music, rejected hy Doone, does not stand up at all well in our post-Frendlan era; nor in a world dominated since then by real, divisive frontiers, does On The Frontier make its original impact. There remains, how-ever, much to enjoy in both texts and they offer the bio-graphically-minded reader some clearly spelt-out reasons for the rejection of England by the two authors. A year after completing their last play both of them left these shores for good for the United States. By 1939 the great epoch of the Group Theatre was over, though it continued to do interthough it continued to do intermittent productions and did not finally expire until 1956. Doone stepped down from the public atage to become full-time what, among his other avocations, he always had been, an inspired teacher; he was appointed director of the Theatre School at Morley College.

### Hapless young men on the loose

PENGUIN IS hringing out a series of first editions in paper bsck, fiction by new and youngisb authors. The aim, I imagine, is to bring writers like John Connelly and Simon Nye more quickly to their natnye more quickly to their nat-ural audience, the equally young, eager readers who can-not afford or will not invest in a hardback. A sensible idea in the short term, but I hope this is not the beginning of the end for the more durable hardback.

A cheap dumpy little paper-bsck seems the appropriate medium for the economically hspless heroes of John Con-nelly's Man's Work. He writes in a staccato present tense about middle-class failures, college graduates who have become bank tellers and wait-resses, the nnemployed, the under-employed, those not buoyed up by the material euphoria of America, who have reversed the immigrant's dream. His young men, always on the edge of boredom, cling to fantasies of the perfect bet, the immaculate woman, guiltless sex. in these stories Connelly reassesses the classic macho American dream of escape from civilizing women, from adulthood, from the stultifying middle class, so essen-tial to Twain, Hemingway, Kerouac, and finds there are no longer territorial or sexual frontiers; his heroes, confined by a sense of their mediocrity, have admitted defeat from the

start.

Connelly is especially good at the cut and thrust of every day conversation, at suggest-ing a setting — an unemploy-ment office, a university library, a tiny flat — through dialogue with a minimum of description. But the economy of style, the insistent rhythm of his prose, his sbort san-tences, his snappy phrases can become monotonous, I wish he would slow down, perhaps dif-ferentiate more between characters, and allow the sadness and anger at the heart of these stories to shine through.

In Men Behaving Badly, Simon Nye writes about a similar group of young men in Lon-don. This is an engaging first novel about two male roommates, their uneasy comrade-ship, the woman upstairs they

MAN'S WORK by John Connelly Penguin £4.99, 237 pages

MEN BEHAVING BADLY by Simon Nye Penguin £4.99, 218 pages

THE MARQUESS OF WESTMARCH by Francis Vernon Gollancz £12.95, 272 pages

THE BRUTAL HEART by Stuart Hood Carcanes £12.95, 191 pages

both love, the landlady they comfort. Gary and Dermot are sympathetic characters, one a dry, inexpressive stamp-dealer, an only child who hoards his money and emotions; the other an effusive, fast talking depart-ment store salesman, a graduate who has held numerous

menial jobs.
Simon Nye reveals their affectionate, competitive relationship through amusing jocular dialogue; he is less convincing on the women, who seem to emerge from male fears and fantasies. But the novel's real weakness is its rambling plot. Perhaps if some of the episodes had been cut and the plot tightened we might hang on the room-mates's words a bit more, rather than wait for them to start their Sunday

Francis Vernon sounds like a prodigy. At eighteen she published her first novel, Privileged Children, which won the Anthor's Club First Novel Award. The Marquis of Westmarch is her fourth novel and she is only twenty-four. Ver-non has set this romance in an imaginary island but its court intrigues and political mar-riages, its sexual codes and role-playing are familiar. Once we discover the Marquis's interesting secret – because of a mistake by her nurse at birth she has been brought up as a boy - and the clandestine affair with Knight Auriol begins, the novel comes alive the dialogue sounds less wooden, the actors more com-

Though the writing is marred by cliches, and an odd mixture of realistic dialogue snd almost campy speeches, we do care what happens to the Marquis; and her confusion over her sexual identity and rebellion against the restrictive roles of womeo are fascinating. In The Brutal Heart, Stuart Hood contrasts two political generations, the old Left and the activists of the 1960s. Alastair is a writer and translator, a lapsed member of the Communist party who feels out of touch with the language and tactics of the student movement. He is very much a loner, estranged from bis wife and uncomfortable with his son, an avant garde photographer whose radical friends include a group of German terrorists. After Alastair becomes involved with one of them, he must confront his own com-plicity in the murder of a young working-class German

group Stuart Hood raises familiar but stirring questions about the means and eods of political radicalism, the efficacy of nonviolent protest, and the conflict between personal and commu-nal loyalties. But because his characters fail to engage us, the novel's politics, even its tragic deaths seem remote.

hoy who tried to leave the

Only Alastair emerges a complex ioteresting figure, a humanist who has never been able to love anyone but his childhood friend; the others, his strideot son and dreamy photographer wife, his German terrorist lover whose every utterance is a political plati-tude, are one dimensional characters who rarely command

our respect or sympathy.

Though this is very much a 1960s novel, it is never nostalgic and apart from a few descriptive details - a men-tion of the Vietnam War and student sit-ins — we have very little sense of the period. With a few changes it could very easily be a novel shout the 1980s, and perhaps this is the book's strength and its weak-

Wendy Brandmark

### Social browse through the Impressionists

IMPRESSIONISM MAY constantly change its shape in our view, as scholars and critics pull that infinitely flexible and no less seductive corpus now this way, now that, but its appeal remains quite undiminished. And quite what Impres-sionism is, or was, remains as various, ambiguous and fascinating a question as ever.

CONTRACTOR

The proper study of painting is, before anything else, the study of what the artist does, alone, on the surface of the canvas, as much for the marks he makes and the process and quality of the making, as for the imagery, reference and apparent preoccupation. But these are difficult, practical and imponderable considerations, hard to pin down in essay or seminar, and Professor Herbert of Yale will not be the last scholar to choose rather to commit himself to something more

We live in a material and, for most of us, comfortable age and Paris of the later 19th century, in all its hedonism and amorality, speaks to us directly. It is fair enough to examine Parisian Society of the Second Empire and the Third Republic that followed, through the medium of the art of the great painters of the time, principally Manet, Renoir and Degas. But we should be clear what kind of examination

Herbert's study is densely fascinating and informative, and as handsomely produced

and copiously illustrated as we

IMPRESSIONISM: ART, LEISURE AND PARISIAN SOCIETY by Robert L. Herbert Yale U.P. £29.95, 324 pages, 311

publication. It is in many ways a splendid guide book and social history, but it is neither art history nor criticism, and in its sociology it is tendentious, earnest and sadly unsceptical of the current orthodoxies of feminiat interpretation.

The Professor is free of

course to write as much social history as he likes, but we can only hope that the art history schools of the great universities are not to be taken over by sociologists. I wish too to that he would write with a to that he would write with a lighter touch, or is it that insistently American usage grates only on English ears? "I am sensitive", he says in his preface, "to feminists' objections to the eternal he when referring to a genderless person... I therefore introduce 'she' instead of 'he' from time to time, to alert the from time to time, to alert the reader to the need to avoid taking the masculine as normative." Oh dear.

But it is as easy as it is unfair to mock such delicacy. The more serious objection is too many images made by artists for other reasons than



Degas' portrait of Mary Cassatt, c.1884

high-minded social comment, artists manipulating a formal relationship for practical pictorial effect. And there is the intrusive reading that colours the text throughout, to its disadvantage its disadvantage.
In making the nice point, for

Opera", in contrast to images of such women painted by men, is actively viewing the company herself through her opera glasses, he notices that a boorish man in the distance leans out of his box to point his glasses in the viewer's direction." But that figure is example, that Mary Cassatt's direction." But that figure is "Woman in Black at the only roughly indicated, and

had he been described in perfect detail, would it still he "boorish" to do what we all would do ourselves in that idle momant of waiting for the ahow to begin? Professor Herbert has written an irritating, fascinating book.

William Packer

domineering father hy with-drawing to his bedroom to cre-ate, should grow into the man

### IN Bed of Nails Chris Randall's wife dies after a quarrel with him. In his remorse he and becomes a kind of migrant, accepting inferior jobs as locum laboratory worker.

An assignment takes him back to Oxford, and to a laboratory where hatred is more virulent than disease. Within days Chris finds and loses love and, after a series of heterographic and reall series of hair-raising (and well-narrated) adventures, he establishes his innocence.

This concise, fast-paced story This concise, last-paced story has only one flaw: the necessary unravelling at the necessary unravelling at the end takes place in a situation that defles credence. But this is a small price to pay for an otherwisa successful and thoroughly enjoyable novel.

Janet Edmonds debut novel, Dog's Rodu, revealed an lanct Editions debut novel, Dog's Body, revealed an engaging original talent and also introduced an unnsual and likeahly human protagonist, tha vet Linus kintoul.

He reappears in this second adventure, Dead Spit, which is actually superior to the first; and he shows every sign of becoming a welcome, regular figure on the crime fiction

# Summer

**BED OF NAILS** by Andrew Puckett Collins £10.95, 182 pages

DEAD SPIT by Janet Edmonds Collins £10.95, 176 pages

UNORTHODOX METHODS by Deborah Valentine

Gollancz £11.95, 189 pages DEAD CRAZY by Nancy Packard

tension never goes slack. Along the way we learn a lot about dog shows and dog-breeders, but the author is never didactic and the knowledge is never extraneous

Colling, £10.95, 276 pages

to the plot Unorthodox Methods by Deborah Valentine is a good first novel in an unusnal

California - lovingly described. A small community, including some artists, some afflicted by a series of thefts. then by murders. The local cop - as usual,

divorced and attractive — unravels the case (and, at least temporarily, solves the matter of his loneliness as well). The prose is no more than serviceable, but the pace is so brisk that the fussy reader will forgive some lapses in syntax. Head of a Civic Foundation in a small New England city,

Jenny Cain - Nancy Packard's likeable, well-established heroine - is approached to support a project involving the mentally ill.

It also involves some potentially valuable real estate in an upwardly mobile (and

unreceptive) neighbourhood. The violence that ensues is naturally blamed on the vulnerable and unstable potential beneficiaries of the foundation's project.

With some help from her smiphle relieves the bushed

amiable policeman husband, Jenny bravely and cleverly uncovers the real, supposedly sane villain and saves the plan. The story is told with wry humour and with the author's usual sensitivity.

William Weaver

### Dark horse in the desert

PAUL BOWLES is the dark horse of American literature, a writer who has abandoned certain fame in New York literary circles for exile in North Africa. His work is widely known yet seldom read; his name vaguely familiar yet never entered on to the list of major American authors. Even close reading of his work, including his just-the-lacts antohiography Without Stopping, yields little sense of one of our gra's most takented writers. Christopher Sawyer-Laucanno's excellent biography does much to remedy this situ-ation, creating a vivid portrait of a writer whose life has been an exemplary quest for creative integrity.

Bowles was born in New York in 1910 into a somewhat less than idyllic family situa-tion — his father, a dentist who had wanted to be a concert violinist, seems to have tried to kill the infant Bowles. Not surprisingly, Bowles led an unhappy childhood under his father's tyrannical reign. The sensitive boy responded by withdrawing into a fantasy world, writing epic poems about drug addiction and adul-tery before reaching the age of

Such precocity continued through his teens, causing Bowles to become known in New York as a poet and composer to watch. At eighteen he managed to publish some

poetry in the avant-gards jour-nal, transition, alongside Joyce, Breton and Gertrude Stein. At nineteen he emberked for Paris and spent the next few years travelling between Europe and Manhattan, using his good looks, charm and talent to impress many of the leading artists of his tima - Stein, Copland, Coctean, Jaherwood (who used Bowles's surname for his most famous creation, Sally Bowles). He also discovered Morocco, a place which was to play a larger and larger role in his life as Bowles became more committed to

Despite his giddy social life, Rowles created little of endur-ing merit during the 1936s. He worked primarily as a com-poser of incidental music, teaming up with Dali, Tennes-see Williams and Orson Welles. He also married Jane Auer, an unbalanced lesbian who was to remain tortuously bound to Bowles until her death 35 years later. It seems an unlikely union, yet Sawyer-Laucanno's rigorous documentation of their marriage shows that Jane was looking for an emotional anchor, while Bowles, who appears to possess an aversion

work than globe trotting.

THE INVISIBLE SPECTATOR: A BIOGRAPHY OF PAUL BOWLES by Christopher Sawyer-Laucanno Bloomsbury £25.00, 501 pages

to sexual contact, wanted the detached intimacy a lesbian wife could provide. By 1945, Bowles had become unhappy with composing and began to return to the mode of expression he had used to escape his fathar - writing. Success came quickly. Not surprisingly, the setting for most of his fiction of this period was North Africa, a region which had begun to dominate his life. He bought a house in Tangier and began work on a novel, The Sheltering Sky, published in 1949. The book was to become both a critical success and a bestseller, placing Bowles et the front rank of his literary generation. Yet he refused to parlay this success into celebrity, remaining instead in Morocco, writing novels and short stories which dealt with disastrous attempts by Westerners to confront strange cultures.

The enigmatic, marijuana-smoking writer of often shocking fiction soon became an icon of sorts for the Beats, attracting visits by the likes of Ginsberg and Burronghs. Regardless of this notoriety, Bowles continued to focus his considerable talents on the desert, soon writing stories with-out Western characters, compiling audio srchives of Moroccan folk music, translating tales by native writers. Jane's troubled sexual and mental life further contributed to Bowles's withdrawal and Beckett-like search for meaning. Her death in an asylum was, for Bowles, tha end of "the good years." Since the 1960s Bowles's

transition from best-selling novelist into an eccentric cult figure has become complete. As Sswyer-Laucanno points out – "The American expatriate as an interesting character, in life or in art, milked so well by the 'lost generation' of the 1930s, was no longer in vogue." The current preoccupation of American writers and readers with their own culture has marginalised Bowles, who con-tinues to live in Morocco. It is fitting and somewhat heroic that the boy who opposed his

who rejects fame in a shallow and decadent culture by writsawer-Laucanno has done
an admirable job in exploring
tha complexity of this remarkable man. He is not overawed by the spectacular success of the young Bowles, making it clear that good looks and charm were as much at work as raw talent. He also treats Bowles's stormy marriage with detached precision, refusing the temptation to cast blame for their quarrels and Jane's

eventual demise. Sawyer-Laucanno is at his best, however, as he expertly traces the genesis of Bowles's artistic soul, through callow youth and shallow notoriety, to a fame that bred the desire to escape, ending with a sort of peace in a place so ntterly strange to the American middle-class consciousness. The biographer shows us how that marvellous fictional voice, a voice as cold and passionate as a desert dawn, came to be. In the end, Sawyer-Laucanno knows, it is not the dizzying succession of the famous or the travel to exotic places that make Bowles's life exemplary. It is his lifelong determination to create with integrity, to fol-

low the lure of the desert. Stephen Amidon

scene.

The first chapter grips you at once with a puzzle that seems inexplicable, and the

### setting - the lake Tahoe area Governments observed

economics; though this does not prevent him from making

judgements about the eco-

nomic policies of most recent British governments. Most of the hard figures he does give

are alectoral ones, and very few record output, trade or

even employment. It is, for

POLITICS FOR A RATIONAL LEFT by Eric Hobsbawm Verso £29.95 (£8.95 paperback) 250 pages

ERIC HOBSBAWM, born in

Alexandra, educated in Vienna.

Berlin and London, and now an honorary fellow of King's, Cambridge, has a wide horizon — which inclines him not so much to see everybody's point of view as to see through it. He here re-prints a series of essays half historical, half political, written from 1979 to 1988, and adds a short and stirring callto-arms dated January 1989. Captious critics may regard the history as a little short on facts and figures and a little long on cloudy abstractions like "sectionalism," "bourgeois anarchism," "de-industrialisation," "de-politicisasion" and even "militant economism" (sic). But the perceptive reader will. I think, note that these nebulous apparitions haunt his pages in ever lesser oumbers as the 1980s decade marches on. His mounting exasperation with the present Prime Minister's policies may partly account for this. Even the most charitable

critic will find him weak on

instance, odd that in surveying the performance of the 1945 Attlee Government, and though agreeing that it "left the economy in good shape," he does not mention that it kept unemployment below 2 per cent for six years: and that this was one of its main aims. But he does recognise what he calls rather vaguely the "unprecedented prosperity" in the West generally in 1950-1973, but summarily declares this to be "now at an end." in his account of the elec-toral fortunes of the British parties since 1945, to which be

gives much space, there is, l believe, one rather glaring omission. He scarcely mentions the influence on the electorate of the sweeping changes in the British press between 1945 and 1980. The 1945 election was unique in this century in being held after six successive years with no party-political propa-ganda in the press. The result

press balance was restored; and so by and large were elec-toral results; until in the 1960s both the News Chronicle and Daily Herald (oeither of which Professor Hobsbawm mentions.) disappeared and by the 1980s both the press and elec-toral balance became more uneven that at any time before. Professor Hobsbawm does mention the Sun; and be might have added that one could perhaps learn more shout the

mind of the British electorate

by reading nothing but the Sun and the News of the World for

six months than in any other

From 1945 to 1960 the normal

However that may be, his political message by 1988-89, had become markedly in his own words more "ratiooal." He finds many parts of the Labour Party policy reviews "convinc-ing" as well as "expressed with clarity" and Bryan Gould's contribution "both clear and positive." lo his grand 1989 finale he cslls — in plain words this time — for the "defeat of Thatcherism," as the "essential task of all Britisb politics" to be achieved by "an electoral agreement between Opposition parties."

Douglas Jay

On Top of Africa: Simon Vail starts a three-part series on climbing there by tackling the biggest peak

## Kilimanjaro: more agony than ecstasy

William, the guide, to slow the pace. Three of us stood ehivering, hunched np against the bitter cold, stealing tiny lungfuls of air. William only smiled, lit a cigarette and ord. "Okay we rest a while" said: "Okay, we rest a while." The paraffin lamp cast a thin circle of light on a black mass of slip pery mud and dirty snow. My other companion, nicknamed Conan the Barbar-ian, said: "No. We must keep moving." He was very cold. He was not wearing enough clothes: his thin jeans and leather jackat were quite unsuitable for sub-zero temperatures and the relentless wind. Conan was a keep-fit fanatic,

Conan was a keep-fit fanatic, an American and proud of it. No way was some tiny little mountain in Africa going to defeat him. His beard and moustache were covered in white ice. He insisted doggedly that the only way he could stay warm was to keep moving. William said: "We go." Without wasting a moment, ha turned and began to move. Conan followed, I came second and the attorney struggled and the attorney struggled

But the scree slope of Kili-manjaro was not to be defeated so easily. Our pace was slow, funereal. We could see very little as it was still 3 am. The African atars looked down mockingly as we lurched and staggered like drunks towards Gilman'a Point, 18,700 ft above sea level. The attorney began to cry out in real distress: "Please, ob please, slow down. I want to rest."

William turned and looked at him, raising the flickering light to the attorney's face. He was deathly white, his eyes halfclosed, his gloved hands gripping desperately to his mountain stick. "You will wait for an assistant guide," said William. "We three will go on." I never saw the attorney again. The assistant guide helped him another 500 ft but he gave up when his head began to spin and dizziness overcame him. I learnt that he had set off down the mountain, heading for a hot shower and his law prac-

tice as fast as possible.

Conan had longer legs than
me. I hated those legs, Every

time he took a stride, ha would atretch three inches furthar than me. Slowly, he would draw ahead. I could match his pace step for step but, inexora-hly, his rear heel would move away from me. I wanted to rest. I was fine hut I just wanted to pause and then I would be able to continue. "No," gasped Conan. "T'm cold. We gotta keep moving."

The ground crumhled beneath my fact. The clean had

beneath my feet. The slope had steepened until it felt as if I was crawling up the roof of an ice-covered house. Don't look down, I told myself. You know you have vertigo. If you do, you'll see the long black slope etretching 1,000 ft into nothing
- and nothing to stop you

Every step was an effort and every breath a wheezing pant'

should you miss your footing. Every step was an effort, every breath a wheezing pant. The mountain felt treacherous, unstable, a fluid mass of grit and snow.

We were crawling up this last slope at three in the morn-ing because the ecree was meant to be frozen and easier to climb. At least, that is what they said. But it'a just not fair, I protested; every step I take, I slide down two. Concentrate. Kick the toes of your boot into the slope. Shift your weight forward. Slip back, struggle, lift the other foot, kick hard and make one step. Conan was moving ahead

again. I couldn't see, didn't want to be left alone in this lcy wasteland. We had left the paraffin lamp with the attorney. Now, we had only the one torch between the three of us. It was my torch, Conan, the all-action American complete with bandana, army boots, enormous knife and two water canteens, had no torch. He didn't know you would need one. If it was my torch, I said, then I could set the pace. We

argued pathetically.
As we climbed higher and higher, the stars began to fade.

experienced was beginning miles below the 17,000 ft jagged stump of Mawenzi. The torch failed. We could follow William'e footsteps only by keep-ing one pace behind him. The air grew colder, the wind stron-ger. Our chests were bound with steel rings, our speech slurred. We climbed in a silence hroken only by the sound of gasping hreaths and boots crunching snow. Most tourists make the

cent to Gilman's hy a series of traverses, crossing and recrossing the scree in 40-pace zig-zags, hnt the thick enow that had fallen earlier in the night forced us to make our way up in a painful straight line. The final 300 ft of slope below Gilman's was strewn with boulders covered in black ice. My laboured trudge became a half-crouched scramble. We collapsed at Gilman's in a hreathiess heap, half-

strangled by the thin air.
It was 6 am. We had just climbed for six hours through the night in freezing condi-tions, the most strenuous exercise I have ever done. Conan was deteriorating fast. Gee, be had not quite expected this. But Africa was at our feet. The sun began to rise, the horizon filling with a band of yellow light. A sea of white cloud lay thousands of feet below us.

Underneath it, and split by

the mountain, stretched the Tanzanian plains and Kenya's Amboselli game park. To our left stood an ice cliff that turned from pink to startling white as the sun crept into the sky. Our eyea were dazzled, and we pulled on dark glasses. We were in a strange world of glaciers, ice caves, snow-filled cratere and treacherous after 3% days of hard walking.

But you cannot say that you have stood at the top of the African continent until you have climbed to the very summit. The highest point, the 19.340 ft Uhuru Peak, is another two-hour stagger round the crater edge. Most people stay at Gilman's. I made one hig mistake, removing an outer pair of gloves to take some photographs. My hands froze up and I could not move my fingers. The feeling in my



Simon Vail and his African guide pause for a much-needed breather on Killims

fingertips did not return for three weeks. But I wanted that

I swayed in the snow, trying to put on my day-pack. Alti-tude numbed my hrain, My arms would not go where they were told. Conan and the guide had disappeared, heading for the top. Why wouldn't they wait for me? It wasn't fair, I muttered, I was only trying to put on my pack. I followed their footsteps along a snow-covered ledge. This was differ-ent. This was much worse. I

I sank up to my thighs in

freshly-fallen snow. I threshed at the white powder, slipping on the ice-covered rocks hid-den underneath. I was not in control, had lost my rhythm, and the air was pitifully thin. There was no path to follow. But Conan and the guide waited for me, sheltering behind a rock. We set off as a tight group. I would move well, hreathing regularly, find a pace and then weaken. Coman

would overtake me again. I began to fall behind. Uhuru Peek was not the only one we had to climb after Gil-man's. False summits lay in wait - hut it was never this one, always the next. The wind began to blow more strongly, whipping stinging needles into my face. I began to feel very sorry for myself. I wanted a handkerchief, but that was 4,000 ft below. My right eys began to hurt, filling with sun grumbled to myself, Conan and the guide too far ahead to hear

I could see that they had stopped by the iron tripod that marked the summit, all 19,340 ft of it. The summit plaqus was huried in snow. We took a few photographs, too cold and weak to admire the view. Conan strode off at a great pace. Some buddy. I made very slow progress back to Gil-man's. I felt sick. Hot water and comfort were still a day and a half away, and 12,000 ft

The descent from Uhura was a long ronte march, sliding down the scree slope we had just climbed during the middle of the night, back down to Kibo Hut at 15,000 ft. Here I

rested for a while before descending to Horombo Hut at 12,300 ft. We had climbed from 15,000 ft., up to 19,000 and back to 12,000 in only 14 hours, most of it in the middle of the night. After a night's rest at Horombo, where the air tasted

like port wine, we tramped on down across the moorland, and through the rain forest. We passed Mandara Hut at 9,000 ft with a sneer, shrugging of questions from worried would-be mountaineers spending their first anxious night We'd been there, done that, piece of cake.

I strode, towards the Park Gate, grinning smugly. Then I stopped. On the way down, I had forgotten to sign the summit book at Uhuru. It was a long way back. Next time, I would remember to take a pen. ■ How to get there. From Arusha, take a bus to Moshi. A yon on to Marangu, where you can climb the mountain in style with the Kibo Hotel or the Marangu Hotel, Alternatively, you can arrange for yoor own porters and guide at the Park Gate.

Park entrance fees and hotel commodation must be paidfor in hard currency. Park fees are \$160 for five days; a hotel climbing trip costs \$250. All kit can be hired. Take a good torch and spare hatteries. Make sure you are feeling fit and used to walking. Ideally, you should acclimatise hy climbing Mt Kenya (17,000 ft) or Mount Meru (15,000 ft) as preparation. Medical facilities are basic: there is no helicopter ambulance to whisk you off the mountain.

### Let's hear it for greenery

Robin Lane Fox puts a case for plain and simple trees

THE SUMMER has now become tough, but a tough year can help gardeners see clearly. Young trees are looking troubled. They are dropping their leaves in self-defence; some are changing colour much too soon; anything which was planted earlier this year is likely to be a skeleton. Strong sunlight also shows up dull performers: it suggests that we neglect the simple virtues and are much too quick to plant fancy varieties.
Fancy tree varieties have had a wonderful run since the mid-1960s. It has been the age

of silver-leaved weeping pears, yellow-edged types of maple, purple-leaved prunus, golden robinias, and poplars with pink and white splashes all over them. At its worst, it has been the era of one of each, a yellow, a grey and a purple, crammed into a front garden. Our tree-planting in gardens

will look nona too creditable by the end of the century. All those leylandii cypresses will have grown too big and the fancy trees will be

overpowering. Trees are not better because they are freaks. Why can we not all rally to the virtues of plain, glossy green leaves? This hot summer ought to have convinced us to make a stand. Who wants a purple-leaved prunus in strong sunlight, or a yellow-splashed acer which is turning brown at the edges? Even the good old whitebeams look decidedly less silver after two hot months of summer.

Strong sunlight reminds us all about shade and reflection. They are crucial ments in a garden's design, and thoughts for them have caused a new demand for arches, pergolas and hoops of black plastic which we are all hoping to turn into a shaded tunnel of greenery. Do we need to extend these thoughts to the leaves of the

trees we choose? Two years ago, I planted an erratic row of aiders and a large number of non-fruitin nears. They are not trees that attract much attention from writers: alders sound as if they belong in bogs and pears surely, are for fruit. In fact, they look much smarter than the experimental greys or yellows, let alone the trees with finely-cut leaves, most of which look a drooping mes in the heat. Together, they have refuted some old wives tales. They are a plain, unfussy green and I would like to encourage a taste for

It is quite untrue that every sort of alder belongs on wet ground beside a pond. The best of the family grows on stony hillsides, too. The Italian alder, or alnus cordata, can be seen growing on the slopes of north Italy's mountains far away from water or damp

My trees are in a shallow soil which is stony and covered with a hefty type of field grass. They are growing rapidly and have looked their best throughout the summer. They produce pretty catkins in late spring; they set firm green cones in summer; the leaves remain a clear green which glistens in the light and does not look fatigued in My trees have yet to produce long catkins and seem to turn hlack at their tips before opening; otherwise, they have been extremely obliging. Alnus cordata is offered in the big nursery lists including Notcutts of Woodbridge and Hilliers of Winchester.
If can claim to be the ultimate "green" tree. It is not just that its leaves are so and just that its give off traces of nitrogen into the soil, as if they are creating their own dash of fertiliser. The Italian

alder is a model member of the European Community and it does not throw its weight I have seen clipped walks of it in the grounds of north Italian villas, but it is not a wide or heavily-shading tree It grows quickly to a height of 30 ft and remains upright

so that it does not spoil a smallish garden. Among fancy foliage, alnus cordata is a relief. So, too, is the form of green-leaved pear which is planted much too seldom. Pear trees used to neen fruit, wasps and drooping yellow-green leaves until gardeners fastened on to "sliver weeping pears" and planted them as specimen trees in every self-respecting

lawn.
Pictures of the lovely silver pear in Sissinghurst's famous "white garden" helped the fashion, and there was little interest in the rest of the family. As a green, glossy tree, pyrus chanticleer found few takers. In fact, it is splendid, quite the best tree-leaf I have found for years and admirably untroubled by drought or

Like the alder, its shape is conveniently quight. It does not fruit, but in April it covers itself with white flowers (this crazy winter produced them in January). The young leaves are slightly yellow, but the tree's merit is that it improves as the summer deteriorates. By August, its leaves are

a gleaning green which reflects the herd sunlight as if summer was just beginning. This sheen lests until autumn, when the leaf turns to a when the lear turns to a turby-purple as if it had been force-fed on port. Usually, the trees would be bere until "March, but last winter brought them back into leaf by "Christmas, since when they have a warred at all by beautiful to the control of the state of the control of have amazed as all by keeping their freshiess.

Green and glossy makes " sound botanical and aesthetic sense. The gloss helps a leaf not to lose water in a hot eye by encouraging the play of light. Sometimes, a young chanticleer might drop its leaves and show signs of temporary light. It passes, in my experience, and the trouble does not spread. It is a vertical tree which

does not cast a wide shade and can be arranged in a small walk or set along a boundary wall. Like several pillars of the English garden, it was actually bred in America. Seeing it now, I forget that this year has been soything other than dewy. It is so much more restful to have a plain outlook on which light dances. It is time we remembered the old wisdom that green in a garden is an important colour,

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## Plants can get sunstroke, too

Arthur Hellyer sees how his garden copes with a hot English summer

summer weather on a variety of plants. Most roses have enjoyed it, a reflection no doubt of the strong Middle Eastern influence in the pedi-gree of garden varieties. Their wild ancestors had adapted themselves over many millen-nia to hot, dry summers, and the ability to survive such conditions remains apparent in the increasingly complex hybrids we cultivate today. By contrast, hydrangeas have hated the weather, their

leaves flagging in the heat and their great beads of bloom only half their normal size. But, as usual, camelias have been little affected, eomething that always surprises me since you would imagine that their dense covering of evergreen leavea would require a great deal of moisture. Clearly, this is not so, and I assume they have some mechanism to reduce water loss — perhaps the waxen sheen which makes the leaves so attractive hut reduces evaporation.
Rhododendrons have no

such aids although they do not depend on moisture quite so much as hydrangeas. Never-theless, I have had a lot of unhappy-looking bushes in the garden this summer, particu-larly among the youoger plants. On the credit side,

T HAS BEEN fascinating to see the very different effect of aouthern Englande hot and sunny

next year's display.
In general, berbaceoua plants have suffered but there have been notable exceptions, including the day lilies and the whole range of plants that I still think-of loosely as montbretias (although crocosmia is the name under which most of them appear in nursery catalogues and the plants of the street of the st logues now). Obviously, all love the sun and warmth and hoth old and new varieties have been among the brightest plants in my garden (as well as in many that I have visited). Most interesting of all has been the reaction of summer

bedding plants and annuals. This has been a super year for petunias, which have contin-ued to grow and flower no matter how dry the soil or hot the sunshine. Verbenas also have been an outstanding success and there are some very good new varieties to enjoy tha

Like tha bedding geraniums, verbens rapidly are becoming almost wholly seed-raised plants, since so many of the new seed varieties give results just as satisfactory as those grown in the old way from cut-tings - and at lower cost, without the necessity for over-wintering plants in a green-

house. Some of these verbenas will survive mild winters outdoors,



and one that did this very cessfully for me last Winter was lilac-blue Polaris. It is, in fact, much more effective this summer than in 1988 and makea attractive and undemanding ground cover beneath

The real surprise for me has been impatiens. I expected this hrilliant plant, changed so much in recent years by intensive and extensive breeding, to enjoy the hright light and warmth. Did not its ancestors warmth. Did not its ancestors come from Zanzibar, a very sultry place? This might be so, but the new varieties have all done better with me this year in shade than in full sun.

I got the idea of using impatiens in auch places when I saw pure white carpets of it lightening the ahadows beneath a holly at Ascott, the National Trust property at

National Trust property at Wing in Buckinghamshire. This summer, I have scattered

impatiens around in my wood-land garden; not just white varieties but pinks, reds, pur-ples and all the other colours now available.

now available.

No doubt this will horrify purists ("What? African plants in an English woodland?").

And, intellectually, the criticism is irrefutable although, aesthetically, it seems to have little validity. But what is important to my present theme is that the plants have flowered well in the shalls whereas been inhibited greatly out in-the full sun I am told that, in some hot parts of the US, impatiens is useless for this same

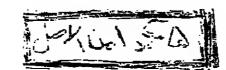
reason.

All the lavateras, animal and perennial, have done well this summer and I keep finding new varieties that seem worth planting. One, named Shorty, looks just like the familiar lavatera olbia Rosea but is only about half its height – 3ft against 5-6 ft – while another, named Peppermint, has white flowers with a green centre.

Rosemary Verey started rather more than she imagined when, in a cottage garden, she

when, in a cottage garden, she discovered a pale pink lavatera with a draker centre, named it Barnsley (after her own house in Gloncestershire), and launched it on a receptive world. Now, the search is on-for other previously unnoticed variations of this old-fashioned, long-llowering shrub.





## Is there life In search of a lucky break after butter?

N DAYS gone by the boiled and buttered routine was the usual way to serve vegetables in Britain. Whenever peas, beans, carrots or whatever were bubbling on the stove, the cook would reach out one hand for the colander and the other, just as automatically, for the

Old reflex actions die hard. although there is no denying that the ritual anointing of vegetables with butter was delicious. However, concern about cholesterol is encouraging many of us to curb our buttering instincts. So, is there life after butter? What are the

Margarines, butter substi-tutes and low-fat spreads were invented for those who may care for their health but not for care for their health but not for good eating. No self-respecting gournand would dream of let-ting them anywhere near a vegetable. Oils are the thing to go for if you crave a flavour-

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some lubricant. Sunflower, safflower, soya, olive, walnut, hazel and sesame oils all are virtuously low in saturated fatty acids; so they make good choices if you are counting your cholesterol intake (although they won't help much if you are counting calories, too). The last four are, however, so well-flavoured that just a few drops are enough to give vegetables an appetising gloss and to season them deli-

Soma cooks have taken things a step further. Instead of dressing vegetables with oils extracted from nuts and seeds, they use the nuts and seeds themselves — a fine way to keep fat levels low and to add extra crunch. Once you have tasted green beans (runner, level) and mature sherry vinegar are exciting with roots. French, helga, hobby, flat beans or whatever else the trade cares to call them) garnished generously with toasted hazel nuts, I am prepared to bet that you won't waste too

much time pining for butter.

Broccoli and almonds are a
classic twosome. Also to be recommended are crushed wal-

by nutritionists who rate oats. as a valuable form of preventative medicine - a rich source of a soluble fibre called beta gincan which can help to reduce levels of cholesterol and

sugar in the blood.

From an eating point of view, the important thing about nuts and cameal is to toast them to intensify their nutty sweetness. Use a dry frying pan or cook them under the grill or in the oven. But watch them like a hawk or you'll end up with burnt offer.

pan just filmed with oil After potato, stuff with a dollop of a few seconds, when the seeds begin to pop, tip the contents of tha pan over I lb or so of cooked vegetables and toss to Philippa Davenport

Carrots and cauliflower aprigs are good candidates here. Herbs and spices provide other attractive finishing touches. I love a parsley sauce without the usual sauce: just parsley, plenty of it, and a pinch of thyme or summer savory, stirred through broad beans with a spoonful of their cooking liquor to give them a generously green, freckled

Try green coriander or deli-cate chervil with steamed new potatoes or a purse of grilled aubergines. A mean spoonful of finely-shredded lovage is also excellent with new pota-toes while feathery famel or dill goes well with carrots. Even more exhibitating with

carrots (and lovely with courgettes, too) is a mixture of mint and finely-grated ginger. I like the Mediterranean trick of aromatising courgettes with the merest pinch of cinnamon; scatter, them with marigold petals for a finishing touch:

Spinach responds well to the same treatment and relishes a dusting of toasted and crushed cumin and coriander seeds. Try haby beets powdered with ground caraway or fennel seeds, and cauliflower sprigs steamed over bay leaves and sprinkled with a soupcon of crushed cardamom. Summer squash welcome a grating of orange zest, while finaly-snipped anchovy fillets add

zing to chick peas and lentils.
As for liquid seasonings,
good fatless alternatives to well-flavoured oils include freshly-squeezed lemon juice, and soy sauce, which will salt vegetables as well as moisten

exciting with roots.

Baked potatoes are second only to spinach as the greatest imbibers of butter I know, capable of sopping-up heartstopping quantities of the stuff. Butter-less baked potatoes sound penitential, and the alimmer's regime of baked potato with cottage cheese and

classic twosome. Also to be recommended are crushed walnuts scattered over the first of the new season's leeks, steamed lightly. Try behy beet roots rolled in sesame seeds, grilled red peppers sprinkled with pistachio, and spinach with pine nuts. Sometimes, I mix a little pines as constituted to butter for baked potatoes is tapenade, or the olivada I quoted in this column last week. I am also very partial to a mellow garlic pures which is head (coarse) natment with the based on a recipe by my column as young the provided in the column last week. I am also very partial to a mellow garlic pures which is head of a recipe by my column as young the provided in the column last week. I am also very partial to a mellow garlic pures which is head on a recipe by my column tasty Scottish trick now lauded.

To make snown.

people, peel and blanch two or three heads (yes, I meen heads, not cloves) of garlic in fast-boiling water for six minutes. Drain, return to the pan and pour on a quarter pint or so of creamy milk, barely enough to cover the garlic. Add a tightly-fitting ild and simmer for 30 minutes until the garlic is very soft. Remove the lid, drive off some of the liquid, then season and whizz to a creamy puree.

Even less effort from the cook's point of view, and involving no fat at all, is a ings.

Another agreeably nurty cook halved tomato dressing. Simply cook halved tomatoes, cut side up, in the oven while the potatorishing vegetables with a mustard seeds, which can be skins and season with salt, bought from Oriental and health food shops and some health food shops and some herbs (basil, mint, chives, fen-delicatessens. Put one heaped nel or perhaps tarragon). Cut tablespoon of them into a hot an X in the top of each baked

(cops) dropping the binoculars and kicking sand in the camera, there are two ways of ensuring a happy holiday: buy chesp or buy tough.

When £15 worth of Hanimer binoculars shatters on an Etruscan naving stone it can

Etruscan paving stone, it can be replaced without too much anguish. But if you prefer a more polished lens, it is best to to know what to do with it. go for something tough enough to survive a mountain fall and that is the Austrian-built Habicht from Swarovski Optik.

At £490, the glasses are expensive; but they are really rugged, totally waterproof, and ideal for rough walks, stormy sailing or slippery fingers.

Abernatively, the Japanese-made Acquafloat 7x42 (at £259) is designed to do as its name implies and can be scooped from the water if dromed overfrom the water if dropped overboard. Both models come in yellow and are capped in black. Most portable holiday necessities such as cameras, video recorders and tape-players are available in "splash-proof" versions. Some are a little tougher than others but these "sports" models resist the occasional bump and splash reasonably well. However, you have to like yellow because that is the colour used by most manufactur-ers to identify their rugged

ranges.
Minolta's Weathermatic 35DL (£189.95) is a twin lens (press e button for close-up or wide-angle) 35mm compact camera designed to take snaps in all weathers and which should survive e plunge into tha swimming pool. Canon builds a model to go a bit deeper. It comes with various gadgets for use by snorklers

ice-cream money.

built-in solar-powered stopwatch for those clever enough A more expensive version includes a radio, and an even more costly model is powered entirely by the sun. There are also separate waterproof "active" speakers (taking bat-teries) for 250. These are plugged into the personal ste-reo to make its reproduction more public — a practice that ahould be discouraged.

The Handycam Sports, Son-

The Handycam Sports, Son-y's 8 mm video recorder, is encased in yellow plastic and the mainly-black controls are rubberised to stop dust and water seeping into the elec-tronics. This version costs £2,000 and has to stay above water. But if you are keen to be submerged, the company offers an £800 underwater housing for its convantional camcorders. Once encased in camcorders. Once encased in what Sony calls its Marine

Pack, the camera can be used for underwater filming.

If the price of keeping grit and water away from your pos-sessions seems somewhat excessive, there are some low-tech methods that are just as effective. The Acquaman personal stereo cover (£12.95) is a glorified plastic bag designed to protect the Walkman from

Similar bags are made to keep your valuables on your person while swimming. The

the Swim Safe (75p at Harrods), a hard plastic cylinder that hangs around your neck and is big enough to take a non-waterproof watch and your

Peter Knight picks out some accident-proof gadgets which can help ensure a happy holiday

All these devices are suffi-ciently compact to take on a ciently compact to take on a plane, as are some more inge-mious inflatable foys suitable for children and the lese grown-up adults. The Ski Bob (£68) is designed to give two people a scary time while being dragged behad it could at a When deflated it could, at a pinch, slip under a plane seat as can the 95-inch long inflat able replica of a blue whale (£22.95) made by Rainbow. For those who don't like the water and can never find a ten-nis partner. Ken Rosewall has

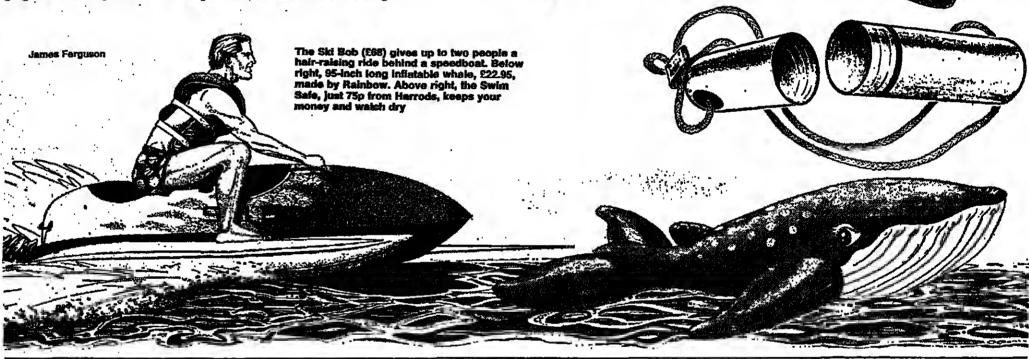
is cheap (25.95) and small enough to fit in a corner of your Samsonite.

This is made of a hollow plastic base which you fill with sand or water. Connected to this is a tennis ball on a long strand of buildog elastic. You have to find a lawn or space roughly the length of a court and then you hit the ball, which soon returns at a height

ideal for practising your basic ground strokes. And if you are planning e long journey by car or much-delayed planes, the £1.99 inflatable travel cushion that fits snugly around your neck is essential. It might not look chic — but neither will you after a night at the airport

All goods are widely available; London stockists include Harrods and Lilleywhites. Lucia van der Post is on





Food for Thought

## Pass the proper pâté

your pate" used to be the standard standard pnt-down in French households when you wanted to draw attention to the poor quality of the fole gras. As every gastronomically literate French man or woman knows, fole gas is not paté but the whole or reconstituted liver of while the technical mean of a fattened goose or duck, and pate de foie gras is made largely of pork.

Paté de foie gras has earned itself a bad name since its

HE PHRASE "I do like

invention late in the 18th century. The probable creator of the dish was an Alsatian chef, Jean-Pierre Clause, who was the cordon-bleu to the Mare-chal Marquis de Contades from 1779 to 1783 (although, very soon after this date, imitations were being made in Perigord, which had the advantage of possessing a local source for truffles).

Clause's paté consisted of a round pastry case filled with fat livers laid on top of a stuffing of finely-chopped fat pork and veal. The paté was then covered with a pastry lid and baked in a low oven. Contades was so pleased

with his chef's invention that he sent a pate to his master, the gourmand King Louis XVI. agriculture. They were popular with the Romans (who gorged their geese with figs), the Jews Within a few years, the fame of pate de foie gras had spread and with central Europeans, to the degree thet a lot of bulk throughout Europe, with pates foie gres today comes from Israel and Hungary. In general, ducks and geese bred for their livers are treated despatched from Strasbourg and Perigord travelling as far as England and Russia. In the

the more expensive "fole gras entier" where you will be buy-ing a whole lobe or part of a

the six-yearly contracts to supply grapes to the maisons, are fully aware of this.

Currently, therefore, the trade body, the Comité Inter-professionel is making increas-

ing efforts to divert grapes into

the merchants' press-houses; not so much as because it is

pro-merchant, but because it takes a wider view of tha

industry, not least as an impor-

tant source of foreign revenue

lobe from the goose or duck.

19th century they found a fan in the Iron Chancellor, Bisrather better than other poul-try in the UK; they enjoy the freedom of the farmyard, queue-up at feeding times, and marck, who used to consume the best part of a whole pate as a cure for indigestion.

The original pate de foie gras are slaughtered at any time after their 14th week. It is a pernicious myth that their liv-ers explode. Any creature which had died from cirrhosis of the liver would be quite is no longer available commer-cially. These days, "pâté" is a ciary. These days, "pate" is a mixture of foie gras and pig's liver, which is also true of "galantine," "purée" or mousse de foie gras. The words for which to look out are "hloc de foie gras" or "foie gras," which will mean reconstituted livers, or "the mean re

Until recently, the only fole gras available on the British market was shipped in tins and pots by firms such as Georges Bruck of Strasbourg Recently, however, the Real Foie Gras Company and the Roux

egainst sand end dust, £2,000. Right, the Japanese-made

Acquafloat 7x42 binoculars do

just what their name implies.

Brothers - through their butchers' shops, Boucheries Lamartine – have been selling fole gras frais (fresh fole gras) of the sort favoured by house-wives in France. Livers come either raw, and need to be cooked at home, or "mi-cuit" (semi-cooked), which can be eaten normally with hot toast and butter and butter.

One of the most popular uses of semi-cooked foie gras is in the so-called salade-folle, which

Wine

used to be found on virtually every French menn e decade ado. A vital ingredient appeared to be crunchy, justcooked green beans; otherwise just about anything could be found in a salade-folle, from Dublin Bay prawns and truffles to new potatoes. The fole gras, in thin slivers, crowned the

Fresh raw livers also have their uses. Apart from baking your own terrine in the oven by adding a little Armagnac, port or sauternes, they can simply be fried for a few min-utes in a pan and served up with some wild mushrooms. I have seen them used very successfully as a stuffing for quails. Decorated with about a kilo of truffles, this used to be one of the favourite entrees of King Edward VII.

An unusual way of serving fresh foie gras is in tournedos Rossini. A tournedos is a piece

of beef fillet which the composer Rossini decided would be improved by adding a slice of foie gras on top, with some truffle shavings. The owner of the Cafe' Anglais in Paris, where the first tournedos Rossini is thought to have been served, was reluctant to go elong with the composer's request. "Never would I dare present anything so unpresent-able," he said. Rossini is sup-posed to have riposted: "Well, find some way in which people won't see!" From that moment, tonrnedos Rossini was con-veyed to the table behind the backs of the waiters; hence the

name tournedos. Fresh and mi-cuit foie gras is available from Les Specialites Saint Quentin, 256 Brompton Road, London SW3 (tel 01-225-1664). Prices are in the region of £75 a kilo for mi-cuit (you'll need far less). Equally, fresh fole gras can be had from tha Boucheries Lamartine at 229 Ebury Street, London SW1 (tel. 01-730-4175). Its prices are a shade cheaper: fresh foie gras is £15.50 a pound, mi-cuit is £33

Giles MacDonogh

OF SIMPLICITY.

**Audemars Piguet** La plus prestigieuse des signatures.

THE FINE ART

AVAILABLE AT: ASPREY, GARRARD LONDON HILTON, MAPPIN & WEBB, DAVID MORRIS, TYME THE WATCH GALLERY AND WATCHES OF SWITZERLAND, HAMPAGNE IS enjoying its greatest surge in popularity since the Belle Epoque before World War One. In Britain, for example, imports last year passed the 20m-bottle mark for the first time. To the Champenois this is less good news than might be expected; sed the 20m-hottle the expression that I heard most often was "too much."
The reason is that there are

insufficient stocks to support these sharp annual increases in sales, and next month's unusually early vintage is not foreseen to produce the huge, 1963-type vintage needed. The maisons (merchants) face a shortage of grapes, now particularly serious when they are trying to provide for growing sales, because every additional bottle sold has to be replaced by three more bottles in order to maintain the three-years'

stocks they deem necessary for marketing fine champagne— and five years' for the vintage. The fact is that the current shortage is artificial rather than real and has little to do with the size of the vintage. It is caused because about half of each year's crop of grapes is retained by the growers, either to make champagne to market



for the French Government. Last year the bonus to those who supplied grapes at the vin-tage was increased; and before next month's unusually early vintage - expected to start on September 15 - the Comité will be at least in the background when a price is fixed for the grapes. A vital new sixyear contract is up for signing next May, and to encourage the growers in advance the price this year may be sharpened. Otherwise it is feared that the percentage of growers who commit themselves may drop a little.

At the same time a good deal of activity has been taking place to limit the share of the crop that the "Buyers-Own-Brand" (BOB) merchants can claim. This proportion is based on sales in the previous year. Last year most of the merchants received only about 70 per cent of their sales. The result may be that supermar-ket-champagne customers will either have to pay more for their bottles, or these will be less plentiful.

Not surprisingly, the grant marque houses do not take kindly to "supermarket cham-pagnes" – aithough few can afford to remain outside them, as they sell at least 50 per cent of champagne bought in France. The merchants claim that these BOB firms undercut them in price and in quality. While most of the 29 grands

hits hard on the smaller firms, such as Gosset, Georges Gou-let, Alfred Gratien, Bruno Palilard and Philipponat, who maintain quality and a three-year stock rotation. However, it will not be easy to prise British drinkers from the super-

markets, where many bought their first champagne. The term "quality," which the Champenois rightly regard as their life-raft in a rising sea of sparkling wine, is not easy to define and promote. Those who drink "supermarket cham-pagne" are probably unfamiliar with, say, Roederer or Bollinger, let alone Krug. Like Lafite and Latour they are accepted as superior wines, but comparative experiances between them and petits châteaux are likely to be limited; and for champagne a price difference of at least £5 or £6 a bottle is a barrier to this,

Another sign of the coming crists is the impending plant-

ing-up of the 30,000 ha of delimited vineyard land. The total planted now is just over 27,000 ha, and Cleude Taittinger. head of the most important champagne house to emerge since World War Two and chairman of the syndicate of grandes marques, has suggested that the area will be full in two or threa years, although others believe that it

may take more like five or six. The delimitation of 1927, which still holds today, was something of a hit-and-miss affair. For example, there is said to be excellent land - in Ay and Avenay on the Montagne de Reims and on the Côte des Blancs - now outside the permitted area. Taittinger reckons thet there are an additional 2,000 ha that could

receive planting rights.

Whereas praviously talk about an extended champagne vignoble always referred to possibilities many years ahead, the extension is clearly now on the agenda. If not accepted, how long will it be before a great deal of champagne will be on ration?

Edmund Penning-Rowsell

### Whatever happened to the Colon theatre?

Gary Mead explains why there is no opera in Buenos Aires this year

FICIONADOS claim that there are only three great opera houses in the world; the Metropolitan in New York, La Scala in Milan, and the Tea-tro Colon in Buenos Aires. Opera hae heen performed every year at the Colon since its first night, May 25, 1908. The world's greatest singers once flocked to Buenos Aires, to confirm their status as international externational externational colors.

national stars. But not in 1988, nor in 1989. The Colon is silenced this year as last, except for a few orches-tral concerts performed hy local musicians. Attempting to unravel why this year's whole opera season was cancelled at short notice, after the advance sale of \$500,000 worth of tickets, is a task more daunting than the explanation of a Wag-nerian score to a country-and-

western singer. On the stage where Nijinsky danced and Dame Janet Sutherland sang, opera has died. This year's season was due to open on May 24 with a performance of Aida, which the Colon opened with in 1908. Deep beneath the stage Aida's glittering costumes and enormous statues of sphinxes are all ready to be hauled into place. But there will be no Aida this year; not any Barber and a fan from Madame Butter-of Seville, nor Bhebeard's Cas-

tle, no Faust, and none of the tle, no Faust, and none of the other five operas featuring foreign stars, who have all been sent home. With a great deal of lock there may be the world debut in November of a (reputedly indifferent) work called Adonias, hy the Argentine composer Alejandro Pinto.

The reasons why there is yet again no opera season at the Colon are as much a matter of dispute and mutual recrimination as Argentina's current

There is no more grandiose expression of Argentina's decay

than the decline of

the Colon theatre'

economic collapse. But the faded glory which is Argentina has its perfect symbol in the Colon theatre: there is no more grandiose expression of Argentina's decay than its decline. In the marbled entrance to the Colon is a small museum dedicated to the artists and performers who have appeared there. Amongst the fly-blown giass cabinets containing such priceless items as a 1909 self-caricature of Enrico Caruso small black and white photo-graph of Waslaw Nijinski, alongside a copy of his mar-riage certificate. He married Romola de Pulszky in Buenos Aires on September 10, 1913.

Those romantic moments have long disappeared, sucked down into the mire of a bureaucratised state which is less interested in culture than political control. Control of the Colon is a political weapon, and the designation of its administration is in the hands

of the mayor of Buenos Aires.
The Colon is owned by and directly responsible to the Municipality of Buenos Aires; Municipality of Buenos Afres; it has four directors appointed by the Mayor; the Mayor, or *Intendente*, is appointed by Argentina's President; thus what happens at the Colon is ultimately a political and not aesthetic issue. Financed by, supervised by and finally, according to some, ruined by the municipality, the Colon has suffered along with the rest of the country from the political and economic turmoil

since 1945.
On May 14 Argentina elected a new President, Carlos Menem. He took office on July 8 and within days hundreds of posts throughout Argentina changed hands. All four directors of the Colon were removed as the new mayor of Bnenos

unveils Calderon'e Schism in England (a Catholic European view of the Reformation) next week, and

third-week arrivals include the

Stary Theatre of Cracow in another Calderon, Life is a Dream, and Andrzej Wajda's allegedly sensational production of The Dubuk.

First into the Lyceum is Steven Berkoff's production of Oscar Wilde's Salomé, which should make

a fascinating contrast with the Stockholm Folkopera's version of

Workshop in Hamilton Place. First

After a couple of years in which

the dance at the Festival was miser-

ably uninteresting, things have looked up this year. Nothing of first

importance as in the old days, but

Michael Coveney

reports on Monday.

Richard Strauss's elaboration.



Edinburgh Festival

Spanish theme for Scotland

Aires, Carlos Grosso, swept out all those appointed by the departing Radical party city administration and brought in people loyal to the victorious Peronist party.

In terms of the Colon this hand-over has merely exacer-

hand-over has merely exacer-bated an already serious problem. Ricardo Szwarcer, as Director General of the Colon, was one of the many who, as a simple result of the political changes, was forced out. In 1987 he decided that the theatre needed urgent repairs to its rigging. Wooden floors running runned the steep at 20 metres. round the stage at 20 metres and above, used by technicians to pull scenery into and out of place, had not been touched since the theatre opened seven decades ago. The place was dangerous to work in. Enzo Valenti-Ferro, himself a former director of the Colon, argued that Szwarcer had

other reasons for deciding to begin the construction work. According to Valenti-Ferro, Szwarcer was tired of trade unions trying to bully the Colon's management into paying higher wages. He chose to kill two hirds with one stone get the Colon into better shape get the Colon into better shape structurally and lay off stage-hands who were causing most of the trouble. Whatever the truth, opera was cancelled for 1988, and the work started.

The original budget is a matter of some speculation. Szwarcer said that it was projected at \$4.7m; but inflation has doubled each month since February this year and is now run-

ary this year and is now run-ning at about 200 per cent a month. In that context, all talk of deadlines, coutracts and material supplies is in fairyland, particularly when the materials have to be imported. "In March this year the munic-

ipality told me there was no more money available, that there were greater priorities; and that I had to cancel the opera season," said Sawarcer.

Even as the season was being cancelled, the Colon continued to accept payments for opera season tickets, which were on sale at roughly \$50 per opera. Approximately \$500,000 was collected, which was on deposit for three months in an account held by the municipality at the Banco de la Ciudad de Buenos Aires. Someone in ipality told me there was no de Buenos Aires. Someone in the municipality has come out

ters of its value.

In the workshop where seamstresses put the finishing touches to Aida costumes — no one is willing to answer the question why there is no opera

well; people are now having

their money returned, when it has lost more than three-quar-

at the Colon. "Cosss de arriba" (things from above) is the only response. People don't want to talk about it. All they know is that prices have something to do with it. The basic material for Aida's costumes was imported from Japan. One metre cost 1,000 australs Argentinian currency.— a year ago; now it is priced at 13,000 australs. One year ago a ballerina was earning \$500 a month; now it's down to \$50.

The accusations (from many quarters) that the work initi-ated under Szwarcer has been badly managed and is far from complete are wrong. Around three sides of the stage, five woodened cat-walks between 20 and 30 metres up have been ripped out and five new steel ones re-built in their places. New computerised machinery, operating pulleys from the roofton, have been installed, with efficiency such that they can place backdrops to within half a centimetre of accuracy. half a centimetre of accuracy. The whole rigging structure, a masterpiece of civil engineering, the third largest metal construction work being undertaken in the Argentine republic (according to Szwarcer), is impressive and makes the Colon one of the most modern in the world, in that respect.

What is far from modern arethe plagues which the Colon is suffering in terms of manage-ment relations and morale. Stage-hands who suspended their work after the first act of a performance of Otello in 1987, who have been laid off during the construction work, have got nothing from their dispute. The new management has now to try and solve 'the Colon's lineariest union and economic. lingering union and economic problems.

Szwarcer's replacement, Ser-

gio Renan, has promised to form a commission to investi-gate the tima and money needed by the theatre before it needed by the theatre before it needed by the theatre before it can fully re-open, which seems rather like looking into a well to see how deep it is. He has also promised to "stimulate national (le Argentine) artists, who very often feel overlooked for mediocre foreigners." Renan, appointed by the new Peronist administration, has had a successful career as film actor. It is thought he might be interested in taking the Colon more down-market than some of his predecessors, most of whom have at least been trained in classical music.

For some, the slide downwards started on July 8 when President Carlos Menem attended a gala concert in celebration at his being inaugurated that day as Argentina's 46th President. Normally an evening dress affair, the Colon that night was packed with the cheap glitterati of TV quizgame hostesses and football stars, not normally given to visiting the Colon but the sort of company generally favoured visiting the Colon but the sort of company generally favoured by the new leader. They daz-ried the night with an array of sequined schmaltz, and trod lightly on the 20 metre wide new red carpet which someone in the municipality had found enough money to lay for the event. After that the Colon went back to its current torpor.

Those Argentines disap-pointed this year at not being able to listen to and watch over 100 foreign artists booked for the cancelled opera season — no doubt some of them far from mediocre, even by Ren-an's standards — will swallow their disappointment and think twice about trusting those newly in charge of the Colon.

RANK DUNLOP, artistic director of the Edinburgh Festival, indicated this week that the 43rd international jamboree, and his own sixth in the hot seat, could well be his last. Money, as usual, is the problem and perhaps local political indifference, though Mr Dunlop has mouned much less about that than did his predecessor, John Drum-

The official festival, opening tomorrow and running until September 2, costs about £3m. Mr Dunlop would be happier with £4m. This year, Edinburgh City Council has slightly increased its contribution to £600,000 at the start of a three-year commitment leading to £650,000 in 1991. The Lothian District Council comes in for the first trict Council comes in for the first time with £130,000, the Arts Council finds just under £500,000, and the amount is raised in sponsorship. The rest comes from ticket sales or goes on to the deficit. It all seems so pitifully little to pay for what remains a truly great festival, one of the things Britain, given half a chance, does best. Edinburgh, even without its once-bruited new opera house and with insufficient venues of technical efficiency and customer comfort, is a colourful and dramatic setting in itself, a place of unceasing architectural and topo-

You especially appreciate this when you walk everywhere, from the New Town across George Street to the Assembly Rooms, the heart of the fringe programme, across Princes Street and up to the Mound, down to the Traverse tucked away in Grassmarket and then around the castle to Grindlay Street and the Lyceum. Every year, I find new

Our critics' preview of theatre, dance, art and cinema over the next three weeks routes, new perspectives, new joys. Dunlop's festivals have increasingly reflected the labyrinthine complexities of this warren of intermingling wynds, stairways, Gothic monu-ments, and improvised arenas. His populist instincts have taken him closer, in short, to the spirit of the

This year's Spanish theme is first announced on the drama programme by the sensational Catalan street theatre troupe, Els Come-diants, playing in the grounds of George Heriot's School tomorrow night before moving on Tuesday into the Lycaum. And out at Morningside, Isin Heggle's new Jonsonian satire, Clyde Nameau, is presented by the little Tron Theaire of Glasgow.

Dunlop has suffered a couple of body hlows in losing first Tango Argentina in the third week and now the Sicilian Macbeth which was ported by ferry to Inchcolm Island in the Firth of Forth. But the international drama programme remains strong, with second-week visits by the National Company of Madrid in Celestina and Calderon's The Mayor of Zalamea, and hy the Taganka of Moscow in Yuri Lyubimov's version of Pushkin's Boris Godunov.

Our own National Theatre



El Greco's "Fabula," the centre of the exhibition at the National Gallery of Scotland

the very welcome appearance of the Spanish National Ballet at the Playshouse from August 12-14, and the shocks and hrutal directness of Johann Kresnik's Macbeth for the Bremer Theatre, Bremen, a the Kings Theatre from August 15-17. The Usher Hall will honse another Spanish troupe — Cristina Hoyos' company in a Flamenco spectacle — from August 17-19. Between August 22 and 26, the Houston Ballet presents two programmes at the Playhouse, the first a triple bill including Christopher Bruce's new Gautama Buddha; the second a staging of Swan Lake by Ben Stevenson, director of the com-

pany.

Dance of more than passing interest is to be found in Duncan Youn-german's opera-ballet L'An Un (at Church Hill Theatre, August 25 and 26) since the choreography is by Andrew de Groat, one of the few modern dance creators in France of any marked talent; while the Amercan director/choreographer Martha Clarke has produced a Bosch-in-spired Garden of Earthly Delights for the Music Theatre Group at the Royal Lyceum Theatre, August 29-

At least three themes jostle each other for attention in the visual arts at the Edinburgh Festival this year. The flagship exhibition is Spanish El Greco: Mystery & Illumination et the National Gallery is centred on the artist's mysterious painting "Febula," recently acquired by the Gallery, exhibited alongside the great "View of Toledo," lent by the Metropolitan Museum of Art, New York. The exhibition also traces El Greco's influence on contemporary Scottish painters, including John Bellany and Adrian Wisniewski. Pursuing the Spanish theme, the Royal Scottish Academy is hosting an exhibition of seven young painters from Catalonia, and the Edin-burgh Printmakers Workshop is

showing Prints from Medrid.

Vying with the "official" theme is a plethora of contemporary art from Holland. The Fruitmarket Gallery is exhibiting a 60th birthday tribute to Armando, whose work is concerned

with the issue of war and humanity'e propensity for conflict. The Graeme Murray Gallery is showing Pieter Laurens Mol in an exhibition entitled The Sanguine Surrender: A Tribute to Mars, and Dutch sculp-turs are installing site-specific work in the Botanic Gardens, on Calton Hill, and on Inchcolm Island in the Firth of Forth

There is besides a goodly helping of Scottish art. The Portrait Gallery in its centenary year is showing Patrons and Painters: Art in Scotland 1650-1760, which examines the art of the time through the eyes of . the great families who commis-sioned it, and includes three great paintings by Allan Ramsay lent by the Queen. Also et the Portrait Gal-lery is an exhibition celebrating the tercentenary of the birth of William Adam, the leading architect of early Georgian Scotland and father of the

more famous Robert.
The whole of the Gallery of Mod-

ern Art is occupied by the compre hensive survey exhibition Scottish Art since 1900, and Bourne Fine Art is following this up with Cadell to Eardley: Fifty Years of Scottish Painting. William McTaggart (1835-1910) takes his rightful place in the Royal Scottish Academy as Scotland's greatest landscape painter, an Impressionist who knew nothing of French Impressionism.
The Fine Art Society is showing The McTaggarts and other Artist Families, well over a dozen of them. Sir Robin Philipson, past President of the Royal Scottish Academy, is of the Royal Scottish Academy, is having a timely retrospective, suitably at Edinburgh College of Art, where he was for many years Head of Drawing and Painting, and a leading influence both as painter and teacher on succeeding genera-

Mary Rose

The Edinburgh Film Festival has been through so many mystery coups and Macbeth-like power struggles recently including sponsorship withdrawal by Bells whiskey and a change of directors—that it risks being referred to, with trepidations cuphemism, as "the Scratish festival." the Scottish festival.

The departing chieftain is Jim Hickey, who resigned last year. The new joint directors were to have been The Times film critic David Robinson and Polish film-maker Krzystof Zanussi. But Zanussi recently withdrew, leaving Robinson in sole charge. Never mind the confusions: we are promised riches a plenty in 1989. The festival has apienty in 1983. The Restval has introduced several new sideshow programmes which it's hoped will be regular events. (Assuming a new power struggle does not enthrone, say, Barry Norman and Andrzej Wajda.)

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Said sideshows include a daily Said sidealows include a daily programme of classic or contemporary animation, a New British cinema-season, and for the eternal teenagers at Edinburgh — that is, all of us — "Late-Night Sensitions."

This last event will institutionalise a late-evening slot for all those artion backed Reported and "more action-packed B-movies and Z-movies beloved of Edinburgh patrons.

Also innovated this year is a new director on show. And the two promising retrospectives are devoted to British Cinema in 1939 and Pasolini.

As ever, the best of the year's store films worldwide are offered: Sex, Lies And Videotope (Cannes Golden Palm winner), My Left Foot (Daniel Day Lewis as Christy Brown), Denys Arcand's controver-Brown), Denys Arcam's controver-sial modern-dress Passion Jesus Of Montreal, Atom Egoyan's hrilliant puzzle-picture Speaking Parts, the earle Australian "growing up" film Celia, and new movies from Wayne Wang, James Ivory, Jim Jarmusch, Percy Adlon, Oliver Stone and Ale-jandro Jodorowsky.

Aiming, no doubt, to bury the Edinburgh Film Festival's lingering reputation as an event which prefers the austere to the sumptious. Robinson has even laid on Gone With The Wind. The latest benefit the wind. ciary of restoration-mania, this 1939 blockbuster arrives all the way from Hollywood in a brand new. regraded colour print: Mark your cards for August 20: 1e tout Edinburgh will be there. So will star guest Mas Butterfly McQueen, one of the few survivors of the original cast: (She played the squeaky-voiced maid.)

The film festival lasts from August 12-27. Happy viewing.

General information: 031-226-4001 Box Office: 031-225-5756 Fringe: 031-226-5257 Tattoo: 031-225-1188 Beaumont Accommodation: 031-557-2727

CAN ANYONE but a critic know the bliss, the heady free-dom you feel when going to a performance for sheer pleasure, with no thought of having to verbelise your reaction, of having to find the right thousand words to describe and evaluate what you are see-

College of Art until September 4.

ing and hearing?
For four months this past spring and early summer, I found myself in New York, working not as a critic but as a translator and far from my a translator and lar from my usual beat. For four mouths I attended operas, concerts, bal-let, plays, becoming — what I had not been for decades — an

ordinary spectator. But the theatre world in New York is so vast and varied that not even the FT team can cover it all; and on several occasions I found myself attending events that were not reviewed. Perhaps, in the economy of cultural reporting, they were not worth reviewing; but as tesserae in tha New York mosaic, I feel they have a certain significance, and now that I have returned to my familiar turf I would like to record a couple of them.
One was an evening devoted
to "Music for Homemade

This exhibition of photographs by Richard Cowper, "Fare-

well to Hot Metal," captures the Dickensian atmosphere of

hot metal printing at the FT before it went over to comput-

erised type-setting in 1987. This world of slugs, forms and

flongs, now no more, will be on show at the Edinburgh

Instruments." Announced in weekend events, the concert if that is the term - was held
in tha loft on the Bowery; and
it drew a capacity crowd. The first piece on the programme Passing I by Carole Weber, involved audience participa-tion, and arriving spectators were given two sticks to bang together. When the organisers are not of sticks one of the ran out of sticks one of the ran out of sticks one of the musicians found some nid axe-handles and, as the rest of us manfully banged away, he sawed them into suitabla lengths and passed them to the

Tha mora sophisticated

trash: abandonad pots and pans, boxes, kitchen implements. The most musical ments. The most musical seemed to me the tennis racket harp, invented, explained, and then played hy Alice Eve Cohen, composer of The Wimbledon Concerto subtitled "Five Landscapes for Tennis Racket Harp." The instrument consisted of a partly strung racket, played over a resonant styrofoam box.

Other instruments were largely percussive, and the compositions were less inven-tive than the instruments for which they were written. Spousored by the Newark Community School of the Arts, the surprisingly humourless Homemade instruments group sometimes assumed a didactic tone. But there was also the sense of heing in a club (I didn't feel as if I were a member), a sect. In any event, the

Footloose and fancy free in New York group's first recording, A Decade of Debris, is about to

A few weeks later, another hrief announcement — this time in the Villoge Voice — took me over to the Lower East Side again, to Second Avenue and Niuth Street to what was once New York Pub-lic School 122. As I learned later, the school had long been closed; then, a few years ago it was used as the setting for the film Fume: and some neighbourhood artists, realising what a good performance space it is, persuaded they city to let them have it. Now, in addition to sponsoring regular events and tours, they hold there an annual Veselka Festival (named after the oearby Veselka Coffee Shop, which underwrites much of the festival), giving advecturous per-formance artists an opportu-

A sense of adventure is demanded of the andience too. Thanks to my obsessing for being early for everything, I arrived at the school's address some time before the doors were opened. Standing et a lower Second Avenue street corner on a hot summer night can be, for an unsophisticated visitor, a disturbing experi-ence. Were those youths clad in leather and chains, leaning on their motorcycles, harmless fun-lovers or were they a mur-derous gang? While I was pon-dering the question, I was approached by a series of pushers, offering me in turn three different kinds of dope, one of which I had never even heard of. They weren't offeuded by my refusal, and the motorcyclists seemed deep in sober technical discussion; Even in its new life, P.S. 122

seems haunted by its history; there is a musty classroom smell, and the stairs to the second floor (the prime performing space) echo with the ghostly pounding footsteps of students past. Again there was a club atmosphere about the place, the audience that began to collect segmed to know one to collect seemed to know one another; the talk was about other artists, other pro-grammes. By the time the doors opened, again enough people – perhaps a hundred – had assembled to fill the

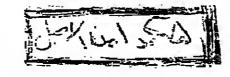
The work, entitled Knifel TapelRope was a collective product by the promising young writer Dennis Cooper, the dancer choreographer Ishmael Houston Jones, with John DeFazio and John B.

Walker (who also appears in it). Based on the real-life murder of a Missouri student Steve Newberry in 1987, the work proved to be a haunting work proved to be a hamming study of group violence. Though not specifically about race, it used the fact of Hous-ton-Jones's being black to underline the fate of the out-aider, the vulnerability of the individual hounded by the pack Walker, Almon Grimsted and especially – Anne lobst were hair-raising as the young murderers; Houston-Jones, immobile much of the time, was an early impressive pres-

Official musical and theatri-cal life in New York - Lineoln Centre, the Public Theatre, Carnegie Hall - offers more than emough attractions to keep even the most varacious consumer sated; but, occasion-ally, a little escape from the besten track brings a salutory shock

William Weaver





ark went berserk, Jim ravished Alphonsia, David lashed Linda, Ron got cholera and was thrown overboard, and Mossie sold Lesley to Nick Dunning for an orange Relax, folks, this brutal debauchery on (albeit pitiful) public subsidy is merely the company of the Royal Court Theatre getting the feel of the 18th century in improvisation with "moments of fear and moments of wild anarchic freedom". As the Iron

wild anarchic freedom". As the Iron Pules might have remarked had he been a playgoer, "I don't know what they do to the critics, but, by God, they frighten me."

The director Max Stafford-Clark hit on the engaging idea of keeping the playeright George Farquhar au courant with rehearsals for a revival of his comedy The Recruiting Officer in a series of letters. The fact that Farquhar died to 1707 detracts from neither Stafford-Clark's enthusiastic urgency nor our own enjoyment of ingency hor our own enjoyment of the published results in Letters to George (Nick Hern Books, 211,95). This "account of a rehearsal" touches also on the birth-pangs of Our Counalso on the birth-pangs of Our Country's Good, the play commissioned from Timberlake Wertenbaker as a companion piece to the Restoration comedy; an inspired choice of subject, dealing with the actual first performance of a play in the newly-colonised Australia of 1788/3. The actors were the convicts of the penal settlement the play were the remaining the play were the remaining the play were the penal settlement. ment; the play was The Recruiting

Stafford-Clark's comments include a salutary reminder of the slough of medicarity that attended our national art-form as market forces came to dominate the theatre in the 18th and dominate the theatre in the 18th and early 19th centuries. New writing in the tongue of Shakespeare disappeared under a welter of what sound, with horrible familiarity, like high-tech musicals, reassuring boulevard comedies and carefully pruned classics. The profit motive is responsible for much of the rot. Purely practical repercussions included the building of ever higher and the Royal repercussions included the building of ever bigger auditoria, and the Royal Court's artistic director postulates the nightmare analogy of London having only the Olivier; the Barbican and the Palladium available for new work. (The Court itself was built in 1888 to seat 730, but now takes a more inti-

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GALLER

mate 397.) Stafford-Clark is remarkably restrained in his observations on subrestrained in his observations on sub-sidy, the struggles of a semi-national theatre against hudicrous economic odds and the new philistinism. The book keeps scrupulously to charting tha plecing together of Farquhar's play. Both *The Recruiting Officer* and *Our Country's Good* were reviewed in these pages last year. After touring in tendent they have returned to Sloane tandem they have returned to Sloane Square and provide a fascinating comparison with the rehearsal diary.

The substantial cast changes prompt the query whether every new member of the company endured the soul-searching of last year's originals, when I thought the Farquhar, clean-limbed, direct and the first really funny production of the play I: had seen. It now looks more conven-tional, even (heaven help us) con-

HILE: Oxford Uni

versity has



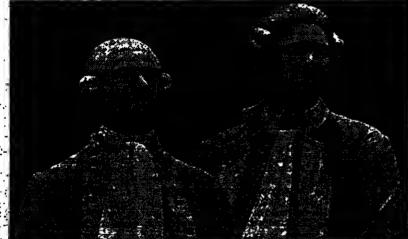
# That 18th-century feeling

Martin Hoyle on Max Stafford-Clark's book and revivals at the Royal Court

Silvia who follows her soldier love disguised as a man, and her newly rich cousin Melinda – the spiky, questing modernity of the actresses concerned has been replaced by amore recognisably "period" style. Amanda Redman has played Restora-tion comedy with the National Theatre and convinces as a provincial heir-

ess in love more than her predecessor, perhaps at the price of a certain blandness.

Melinda is played with intelligence and wit by Kathryn Hunter who purts out her lines in a chesty husk and sails through the part with the instinctive style of (one imagines) a young Athene Seyler. "Stylish" is a



sciously winsome at times. As the for midshle female leads headstrong hiding Wadham and Clina Bussell in Wartenbaker's Our Country's Good

lazy critical cop-ont word; but no other applies in the face of this extraordinary actress's timing, phrasing and perfectly judged gestures. Her woman convict in Our Country's Good, acting Melinda under sentence of death, is a hunched hundle of misery bursting with resentiumess and gruffly ratting out her lines parrot-fashion in a crescendo of fury. An actress to watch.

The problem of asides, of treating the audience as a confidant, has led to some over-ingratisting charm — suitable to Julian Wadham's raidsh but good-hearted Plume, the class echoes just right, the suggestion of tearsway reprohate emerging as a decent house-captain (the Prince Hal syn-drome) perfectly placed. Mark Lam-bert's prunes and prisms delivery gets neither class nor region right for Jus-tice Balance; he flounders into gag-ging to the audience, unfocused and looking for a character. Cive Rus-sell's towering Kite is dryly Scots, with more sexual ambiguity to him than Jim Broadbent had. The new Worthy is colourless; and Ron Cook's Brazen battles, with sheer theatrical intelligence, against miscasting this weaselly little man is no flamboyant

Still, the better play gets the better

performance. Already some of the speeches in Our Country's Good sound mechanical, their original meaning forgotten. The intriguing plot, inspired by Thomas Keneally's novel The Playmaker, boils down to our old friend, the redemption of the hopeless through communal effort and the dia through communal effort and the discovery of dignity. Ms Wertenbaker has produced some horribly corny lines on the subject, delivered with almost tangible lack of conviction by Ron Cook, again cast out of his class as the colony's governor.

The production excels in the por-trayal of the brutal dehumanisation of what would become Australians. The scene where the convict-actors' rehearsal under the sympathetic lieu-tenant is interrupted by a sadistically implacable major (Mark Lambert, implacable major (Mark Lambert, here powerful as a puzzlingly unmotivated Bligh figure) to the sound of an offstage flogging, as the prisoners collapse into huddles of sub-human humiliation, is strong stuff. And the ending, the lags taking curtain calls after their ultimately achieved performance is marine areas to the college of the mance, is moving enough to redeem any amount of Wertenbaker corn. In Letters to George Max Stafford-Clark makes a pertinent remark about what makes an "ensemble". Here he has achieved a superb one.

# Practical pity

Radio

week with a series called Talking Politics; but it seems this will only be talking about what politicians like reading. First came the Rt. Hon. Renneth Clarke, whose choice was respectable but not unusual, and certainly not political. Frankly I see little point in such a series, which lluminates neither literature

nor politics.

Truckin' Maggie', Radio 4's
Sunday afternoon play, was
less political than it sounds. The winner in the 1989 World Service script-writing competi-tion, it was the first radio play of American Diane Ney, of Washington. It is about a projact to tour Magna Carta around the States in a truck, a virtual two-hander for Nigel, the English historian who is to lecture (Anton Lesser), and Hank, the American trucker who is to drive (Bill Bailey). Nigel visualises a wealth of Country and Western music, but Hank wants Olde English but Hank wants Olde English songs like "Hey hey, the cow's at play." Their initial comradeship dwindles to non-speak level; but when Nigel gets a bad throat and Hank gives a rousing talk in his place, they are reconciled, and end with a plan to tour the Constitution around Britain.

It is full of good ickes well

It is full of good jokes, well played under Gordon House, and features Michael Hordern reading Magna Carta in Latin. If Nigel is back at his Oxford college, he must now listen to Glen Campbell's three hours of A to Z of Country Music on Radio 2 on Thursdays. Glen Campbell sounds like Hank converted to Nigel's tastes.

Radio 4 had another winner on Monday, but very different. David Cook's Pity examined the troubles of a young Salvation Army sergeant. Peter (Mick Ford) chose to work in a unit coping with alcoholics, but he did not confide to his Captain, Geoff (Norman Jones), that he had been moved by a particular case. Then one night he improperly went out in plain clothes to find his case, Fergus (Hilton McRae), and persuade him to go to the Army for help. When he did, of

course he let them all down.

Cook's special talent is to
keep sentimental matters unsentimental. The ugly routine of the detoxifying unit, with its load of helpless boozers unwillingly fighting their addiction, was given barrackroom directness, even the cus-tomary religious usage. Another case observed, a middle-class man driven to drink by a loveless marriage, was allowed to end as badly as it began. The pity called for in the title has to be shared among everyone from Geoff down; but this pity is practical,

down; but this pity is practical, not mawkish. Penny Gold was the admirable director.

Pity was also sought for Dorothy's household in A Very Civil War by Chris Curry (Radio 4, last Saturday). Dorothy's younger daughter Cath, 30, who sleeps with Colin but won't marry him, finds herself pregnant and intends to have an abortion. Dorothy, her have an abortion. Dorothy, her other daughter Linda and Colin are all against this. Wby, says Colin, his baby would be "special and precious," though his children of a previous marriage seem to he neither. Dorothy's helpless old mother, in almost her only coberent remark, recommends "the pow-ders" - the powders that Dorothy took to try and avoid having Cath. I found no feel-ings for any of them. They all reeked of soap, and though Cath's situation was embar-rassing, only sentimentality could make it pitiful. The director, who did his best, was Tony Cliff.

Cath told Colin that she enjoyed their "screwing together," and this phrase upset him. "Making love" was his style. Well, Mary Whitehouse helieves sex to be "a very positive, algnificant, important thing," as she told her psychlatrist — Dr Anthony Clare, of course — on Wednes-day. She did not tell him much else, and even her sex assessment had to be trowelled out of her hy Dr Clare. "It's not for me to he judgmental about how other people live," was not a phrase one expected from this lady whose judgments have been so widely quoted.

B.A. Young

## Musical theatre to a degree

Records

Music that caught the ear of Napoleon

always resisted the kies of estabthe idea of establishing a Department of Drama, details have emerged over the past fortnight of a Visiting Professorship of Drama and Musical Theatre to be financed by a benefaction of £1.75m by the West End impresario Cameron Mackintosh.

The first incumbent will be Stephen Sondhelm, the componer and lyright of among poser and lyricist of, among other musicals, Company, A.
Little Night Music, Follies,
Pacific Overtures, and Sweeney
Todd. He is expected to lead
informal seminars and master classes, starting in the New Year, when he will be attending final preparations in Lou-

production of his musical Sunday In The Purk With George. ndheim has been unavailable for comment since the appointment was announced, but Mackintoch said in London this week that he was not

Revolution must be that among these single CD's there are unusual things well

worth hearing as well as some barrel-screpings, EMT's Récota-tion Française (CDC 749740 2), with Michel Plasson conduct-

looking for any return on his investment beyond a strength-ening of purpose and ambition among any students with an idea of working in the musical theatre. His capital expendi-ture allows for accommodation in St Catherine's College, where Southeim will also be a Visiting Fellow, and the acqui-sition of a studio theatre space for the students. About 21m will be invested in a fund, from which the interest will pay for various honorariums, travel grants and sabbaticals to enable students to co-ordinate the University's dramatic

That activity has become increasingly fractured over the past 20 years and the closure of the Oxford Playhouse has been a sad loss. The Playhouse will re-open in due course, but Mackintosh is not planning to

have anything to do with it. He believes it needs to be re-established on a sound commercial footing, tours taken in to top up the work of a lively new resident company. That (as yet unspecified) troupe might be John Retallack's homeless Oxford Stage Company, or a new alliance led by one of the Young Turks — Deborah Warner would be ideal. Such a presence could yield a fascinating overlap with the Mackintosh-funded enterprise and give a much-needed boost to the Universi-

as part of the University's widely publicised campaign to raise 2200m. One of the items on the shopping list was Drama, and the impresario's suggestion that the brief could be extended to his own area of

ty's theatre.

was met with vigorous approval by Sir Patrick Nelll, dheim's participation, and the student drama support pro-gramme (to be supervised by University representatives and the professional trio of Mackintosh, David Aukin of the National Theatre, and Melvyn Bragg) are already confirmed. The third part of the scheme, the establishment of the Visit-ing Professorship on a perma-nent basis, must be approved by the University authorities in the authorities in the autumn.

One of the good things about Oxford theatre was always its informality and tendency to give talented amateurs their head. That seems unlikely to change, and Mackintosh plans to support a network of casual but educational links between



Stephen Sondheim

the students and his own staff, who are now scattered all over the world, wherever there is a production of Cats, Les Miséra-bles, or The Phantom of the Opera. Mackintosh is already deeply involved in matching young composers with lyri-cists and he describes this new venture as another facet of the marriage service he and

Andrew Lloyd Webber are conducting under the anspices of the Vivian Ellis Award. Whatever Mackintosh's ulti-

mate motives might be, the offer has been welcomed as generous and imaginative by many students and University dons. Other factions inevitably see the intervention as a threat to serious study and a misguided attempt to foist dnbious showbiz imperatives on the OUDS and college drama societies. Only time will tell, though one or two less than impressed graduates of the University have suggested to me that some reciprocal arrangement might be found whereby Andrew Lloyd Webber would be despatched, courtesy of a benevoient Broadway impresario, to serve a similar academic sentence at Harvard or Yale. He does, after all, share the same birthday as the new Visiting

Michael Coveney

## Earnest updated

HIS *Importance* marks tha dsbut at the Everyman, Cheltenham, of its new Artis-tic Director, Martin Houghton. He has wisely chosen to start with a familiar play that we all reckon wa know - those two amorous dandies, the witty young ladies, the pontifical middle-aged lady with the line about the handbag. But this is

not the Importance we see. Three contrasting intellects have seemed to be at work. The director gives us an authentic version of Wilde's drama, though switched into the future. (John Worthing is worth some £800,000 a year; Cecily's inheritance will be 29m; the champagne is Dom Pérignon '82.)

Giva or take such details, the words, and the jokes, are pretty much as Wilde wrote them in 1895. But the second intellect has concealed them behind a screen of fantasy. The characters have taken on an unaccustomed look (Algy wears shorts), so the lines have to be spoken at more of a contemporary pace. This skates over some of the jokes a little, and Malcolm Scates as Algy hurries sometimes to the extent of blurring the words.

This Algy is short and tubby, and both in town and country wears his expensive gear a shade untidily. He may not be the chap we are used to, but he is a consistent person. Martin Crocker's John Worthing is consistent too, but more in the old manner. His mourning kit is positively 19th-century.

Sue Holland's first appearance as Gwendolen, in a scarlet mini-skirt, is alarming. One might wonder how Lady Bracknell could have allowed her turnont; but Katharine Schofield's Lady Bracknell, even youngsr than Jndi Dench's, accompanied by two

white poodles, is open-minded about clothes at least. Her imperious nature is marked, however, when her first entrance is heralded with fortissimo Bach on an invisible

And here we have chanced on the third intellect. The curtain first rises on a large hand-bag, centre stage, and nothing else. Around it is a pillared set by Nettie Edwards, the new Head of Design, with white clouds on sky-blue. Out of the bag climbs Lane (Bill Monks). and furniture slides into place around him until a sittingroom has created itself. All the props look after themselves as necessary; the simple entrance into Algy's flat, for example, becomes better suited to Lady Bracknell when a curtained

portico slides down. The garden at Woolton Manor is extracted from a tea-pot in the way that Half Moon Street was from a handbag. Elaborate floral fancies frame teapot-shaped house. In this unlikely spectacle, the expected encounters take more or less their normal course, but for me all this fantasy is inimical. The ingenious complexities of Wilde's story need to be believed

As for allowing utilitarian Miss Prism (Carrie Davies) to dance with her pupil Cecily (Abigail Thaw) into the garden before settling down to horrid, horrid German, I can only say that such things may happen in teapot-houses but not in the home counties. At least both ladies become reasonable when they begin their proper func-tions, Miss Thaw pleasant and clever, Miss Davies an apt target for respectable Chasuble (David Ericsson). Indeed, pleassum up all the playing.

### WEST LONDON ANTIQUES FAIR Kennington Town Hall Hopmon St., off Kennington High Street, W8 August 17th - 20th 90 stands, on 3 floors Versed to a high standard Most items pre 1570 Weekends II am - 6 per Adan &3 Incl. Catalogue Tel: 04447-2514

HE EXCUSE, for ing the choir and orchestra of returning at this stage to the Capitole at Toulonse, brings a rousing performance of the splendid Berlioz arrangement (1830) of the Marseillaise Another hymn by Rouget de l'Isla, the "Chant du Neuf Thermidor" (on the occasion of Robespierre's downfall), also arranged by Berlioz, is a good tune of the same type. Goesec's
"Hymn to the Statue of Liberty" (1783) is at once gracious
and jolly. His "Invocation" of
the previous year for the transfering of Voltaire's askes to the all seven verses, five soloists including a boy treble; plenty of dramatic contrast and Berliozian heightening of accent and colour. Panthéon suggests that the caremony took a long time.
Méhnil is there with his "Chant du départ," which almost has national authem status and a "Chant national" for three choirs and three orchestras (Carattides Paris 1900 to calculate the chant than the chant that the chant t

> what muted on this record. The real surprise however is an impressive Funeral March by Paisiello (a much-travelled Nespolitan, in Paris for some time) which caught Napoleon's ear and eventually brought the composer a post at the Tuileries. It surely caught Beethoven's ear too, before he wrote the Eroica. Françoise Pollet, Tibère Raffalli, Marcel Vanand and Jean-Philippe Courtis are among the enthusi-

(Invalides, Paris 1800, to cele-

brate the First Consul'a

achievements) is a fine place of

ceremonial music even with-

the antiphonal effects some-

astic soloists. La Révolution française en chansons (Le Chant du Monde, LDX 274896) is a reprint for the bicentenary from an earlier "History of France in song." Invaluable, one would imagine, for illustrating lectures. Solo-ists and small vocal groups are accompanied by guitar, harp and harpsichord. Besides the expected "Ca ira! (not quite enough venom there) and "La Carmagnole" there is plenty of interest in text and music including the original of what becama the Marseillaise, a touching "Appeal from Louis XVI to the French" and a sardonic guillotine song set to a popular tune of the ancien régime - the "menuet d'Exau-det."

That number recurs in the mezzo Hélène Delavault's recital La Républicaine (Le Chant du Monde, LDX 274894), based on a theatre show of that name. Both sides have their chance. Some of the best songs come from the succeeding cen-tury like the satirical "Marsell-laise des cotillons," from a fem-inist journal of 1848. Delavault sings the lot with discreetly apportioned fervour. The final Temps des cerises" is haunting. The arrangements and accompaniments of Yves Prin and colleagues are not always

Quaire Mains pour une revo-lution (Pierra Verany, PV 789012) can be justified perhaps on the grounds that nothing it contains is likely to come up on record again. What Hérold (composer of La Fille mal gar-dée has to do with revolution I is a pretty thing. Louis-Emmanuel Jadin (1768-1853) appears during his long careers to have served every régime in turn. To judge from the two movements here from a fourhand Sonata in E flat (No.2) he was a decent as well as a pro-lific composer. Beanvarlet-Charpentler's "Les Bergers du hameau" is Trianon-music which might almost have been written by Marie-Antoniette The Anglo-French Georges

Onslow (hardly a revolutionary figure either), who appreciated and betriended Berlioz, comes out best in this company with his Sonata op.7 - fluent, melodious writing which stirs the pianists Philippe Corre and Edouard Exercian to play more than dutifully. Elsewhere they do not escape the usual bane of plano duets (from the listener'a point of view), that there always seem to be too many

As for La Mort d'Orphélie, a selection of the lesser choral works of Berlioz (Harmonia Mundi France, HMC901293), revolutionary spirit is confined to the frequent originality of the musical material. As well as strongly individual pages there is some watery stuff, exhibiting the tearful face of Romanticism. The piece which gives the record its title is heard in a version for voices

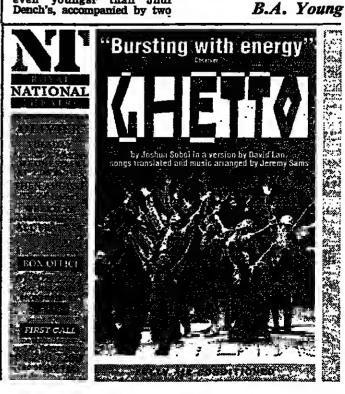
tive, but no trust to Shakespeare's crazed Ophelia than the mad scene in Thomas's Hamlet. The most remarkable item is the setting (arranged for two solo voices and piano by Auguste Morel) of Hugo's Saru la baigneuse. The poet's virtueso handling of verbal rhythm stimulates Rerliez to rhythm stimulates Berlioz to the most subtle word-setting.

There are excerpts from longer works including Letio and

L'Enfance du Christ, and the (to my ears) dreadfully unfunny burlesque drinkingsong from Béatrice et Bénédict, done with the necessary twangling instruments. Much more fun in quasi-sinister or humorous vein are the early "Ballet des ombres" and the rococo vignette "Le Trébuchet." The singing of the cho-rus of the National Orchestra of Lyons under Bernard Tetu is admirably responsive. Noël Lee makes a surprisingly good case for Berlioz's piano accompani-

Ronald Crichton

**CHESS NO. 785** 1 B-Q5! Resigns. If RXR: 2 Q-N8 mate, and otherwise White threatens both RXR mate and BXQ. The trap is 1 B-N6? RXR! when it is Black



Michael Thompson-Noel reflects ruefully on a horse-racing deal that failed to yield the hoped-for profit

UDGED PURELY on the figures, 1 appear to be a candidate for Twit of the Year. In the spring of 1987, I bought two shares m a company called Newmarket Thoroughbred Racing & Chas-ing (NTRC) at a cost of £395 each. The company's aim had been to sell 2,000 shares, produ-cing £790,000 with which to buy np to 25 racehorses and pay for their training and rac-

pay for their training and racing. What It actually sold was 783 shares, producing £309,285—a drop in the oil well to a horse-mad racing sheikh but still a worthwhile sum to the likes of you or me.

The plan was for NTRC to cease trading on November 30, 1988, and to redistribute any cash left in the kitty. It did indeed cease trading. It has now been put into formal liquidation. In the weeks ahead, I dation. In the weeks ahead, I expect to receive a cheque. It will not be a large cheque because the final distribution from NTRC is expected to be between £15 and £20 e share.

Let us call it £17.50. In summary, my outlay was £790, of which I will recover £35. Call me Super Twit. But I am not downcast. I am not particularly upcast, come to that - hut at least I approached the venture with my eyes open well knowing what a hazard-

January afternoons, mud-stained legs and scalding cups of tea clasped in cold hands et half-time. Who can wear their

scarves with pride - or, indeed, without suffocating - in temperatures over 80 degrees F? When the sun

shines on the FA Cup final, it

allows the season to end on a

high note and focuses the mind

on the summer ahead. But when football players emerge

in August, it is an unwelcome

reminder that winter is

approaching, an alarm clock disturbing e delightful dream.

It seems all too recently that

we were debating, in the wake of the Hillsborough disaster, if

football should be played at all. The memory of that catastro-phe, freshened by the publica-

tion of the Taylor interim report, will stand as a continu-

ous rehuke this season to those who describe a 1-0 defeat as a "tragedy." But football, because of its obsession with

quantity rather than quality,

must start early if it is to fit

League, FA Cup, Littlewoods Cup, Simod Cup, World Cup qualifying games and the rest

into its crowded timetable. This is the season when the

much-maligned Bohby Robson

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HIS IS NOT the weather for the soccer

ball is about rainy

That's not Niagara — it's my money! ous investment racing can be.

It is an axiom of British racing that — except in rare instances — your money starts to whoosh away with a deafening roar from the moment you have anything to do with ownership. Do you speed to wre.

nave anything to do with own-ership. Do not speak to me ebout cocoa, soya beans, plati-num or pork bellies because the whackiest commodities roller-coaster of the lot is buy-ing, selling and racing horses. I knew this was so. Moreover, because NTRC was managed very properly end has produced detailed accounts for the One of the biggest items of brief period of its existence, I am now in a position to see precisely where the money went with such a whooshing

The company was set up by Newmarket trainer Patrick Haslam and racing entrepreneur Anna Ludlow. In total, 17 horses passed through its hands, yielding nine wins and 17 places from 80 runs. As the trainer said at the recent wind-Ing-up meeting in Newmarket

will guide his battered England

side to the World Cup finals, where once again they will be

found wanting at the highest level. This will also be the sea-

to watch Tottenham vereus

Wimhledon, If yon haven't fil-

led out a form and acquired an

identity card, you won't be allowed into the ground.

to be heading to catch some

footballing class this season. After a disastrous start last

year, Terry Venables' side

climbed to the top reaches of the First Division. And

although they have lost the

enigmatic Chris Waddle, I think Spurs will win one tro-phy this year.

Tottenham is where I expect

(a quiet affair attended by just sevsn shareholdera): "We haven't made a lot of money but we've had some successes and fulfilled our objectives." Where did the money go? Remember that the sale of shares attracted a start-up sum of £309,285. Purchases of bloodof 238-255. Purchases of Blood-stock accounted for £147,149. When sold, these horses recouped £65,300, so that the deficit on buying and selling horses was £81,849. Prize-money yielded juet £17,198

expenditure was training fees, which totalled £69,017. Other items included; race manager's fees, £16,400; horse transport, £10,376; entry fees and expenses, £14,135; VAT, £12,576; secretarial and office expenses, £15,739: printing, advertising etc. £13,985; legal and profes-sional charges, £11,484; and on

Given the scale of the trad-ing losses (£253,874), plus the beavy start-up costs involved



in forming and publicising euch a company (£34,408), it is easy to see how the initial capital sum of £309,285 was boiled down rapidly to the amount that is now left in the kitty (£21,003) from which various expenses are yet to he deducted

I have alwaye known that

hard to recover. Even the Maktourn family of Dubai, which is enjoying an enormously suc-cessful season on the race-tracks of Europe, must find it hard to recoup its basic racing expenses which, in its case, run to many millions. What I had not realised was how few racehorses are re-sold at a profit or break-even at least at profit or break-even, at least at

the bottom of the market where NTRC operated. Let us take a look at a few of the horses that passed through its ownership. The sound you can hear is that of money whosel-

Elegant Stranger, This was NTRC's one big success. He was bought at the Doncaster salee for 6,000 guineas plus VAT (£6,037.50), won two races as a two-year-old and was placed second four times as a three-year-old. He was re-sold for £11,550.

for £11,550.

Baxtergate. A real blot on the landscape. Ha cost £15,784.50 and was described as a top-class potential hurdler. When they got him to Newmarket, he did not appear sound and had a swelling on his tendon. A return tree showed don. A veterinary scan showed him to be useless for NTRC's requirements. There were heeted exchanges between NTRC, the sales company and the horse's previous trainer. Finally, NTRC was given a £5,001 credit by the sales comStormy Eve. An appalling lit-tie medam. You might have seen her on the telly, behaving like a cow at Sandown and ref using to go down to the start, a performance which sent her value crashing. She had cost us \$3,522.50. Eventually, she was exported to Italy for 800 guineas. Some Italians spend that much on a sweater. I hope that the idea of a wall and triad.

she is safe and well and mind-ing her p'e and q's.

Zarafion. Cost £6,300. Not a lot was thought of him. Sold to Sweden for £1,500. He won a seller and was bought in for 3,750 guineas. On one occasion, was ridden by Steve Cauthen. Eventually sold to Sweden for

Andartis. NTRC bought 65 per cent of him for £10,000. Thought to have been a promising hurdler hnt developed tendon trouble. Stake sold for £496.74.

ous troubles. Finally sold privately to go point-to-pointing for £4,000.

for £4.000.

Howhus. Another very expensive failure. He cost £5,704.50 but was sold for £400.
Easy Line. Cost £9,660, and actually won twice on the Flat. Sold privately for £3,000.

Lucayan Gold. Cost £16,800. He had two runs over hurdles and several runs on the Flat without success, although he was thought to have run an excellent race against top-class hurdlers et Huntingdon on one occasion. Sold for £7,560.

And so it went.
Naturally, the people who sell and train racehorsea always insist that there is more to the sport of kings than dollars and cents. There is the matter of "psychic payout" —

matter of "psychic payout"— that ecstatic glow of pleasure and satisfaction that is reck-oned to descend on you, bringing tears of happiness to your eyes, even while the horse that you own, or are associated with, is finishing last or savaging its stable lad or behaving generally in a manner bound to send its value plummeting.

I do not envy the Maktoums. At present, they are winning everything in sight. The money is rolling in. But that cannot drown the vast roar of the money that is whooshing out.

Llanpadrig. A steeplechaser. Cost £16,834.50. Suffered vari-Cup double. In 1988, they froze against the underdogs, Wim-bledon, in the Cup final. Last May, they made the mistake of taking e very negative ettitude in the game against Arsenal; when a team start time-wast-ing by passing the ball back to the goalkeeper, they deserve to

But the strengths of Liverpool — a squad so strong that it can survive injury crises and players, like Steve Micol, versatile enought to swap positions as the situation demands mean that the club are virtually certain to add another trophy to their already straining cabinet.

Add a resurgent Manchester United, Brian Clough's Not-tingham Forest (who so nearly won three Cups last season) and the return of Chelsea to the First Division and the championship race could be a close run thing. I think Liver-pool will regain the League title, leaving Manchester United and Tottenham to share

the cups.
One prize for which the clubs ought not to be competing, however, is a place in European competitions. In our guts, we all know that English supporters will get drunk, cause trouble and disgrace us again. England has no right to inflict its social problems on other countries.

By the time the major com-petitons are decided, though, the future of the game may have been changed radically. Lord Taylor will produce his final report in December, and he has left until then the big issues such as membership cards, all-seater stadiums and

The proposals made in the interim report, although undeniably sensible, were designed niably sensible, were designed only as holding measures until the full report is produced. Inevitably, media attention concentrated on the stringent criticism directed at the police role in the events at Hillsborough. But blaming the police is not enough. There has to be some way for name way or name way on name way some way for people who enjoy football to watch it in decent conditions without their safety or their civil liberties being

endangered.
There will be no instant solution. The troubles that affect football also cause muggings, vandalism, rural vio-lence and holiday hooliganism in Spain. Some combination of all-seater stadiums and restrictions on the use of alcohol might reduce the problems; but, every Saturday, there is the chance that the football headlines will be dominated not by hat-tricks but by hooli-

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training and racing costs were Suddenly, soccer is back. Philip Coggan views the season's prospects

### An end to summer's dream

son when Scotland qualify for the finals, allowing the players to sweep into Italy on a wave of public optimism which dis-appointments will turn sour quickly. And this will be the last season before the Govern-Readers of the Financial Times will appreciate that, in all the hest-run companies, there is a price at which even the most highly-prized assets ment-imposed identity card scheme comes into operation.

Lord Taylor, when he produces his final report on Hillsmust be sold. Tottenham got a very good price, £4.25m, for Chris Waddle, After all, Spurs paid only around a third of that for Gary Lineker (pic-tured), the leading scorer in borough at the end of the year, might pronounce against the scheme but it is hard to see the Government changing its mind. So enjoy while yon can these last few months of freethe last World Cup. Venables should be able to use the remaining cash to strengthen his defence, traditionally Spurs' weak link. dom. After next August, you will be unable to pick up the paper and decide, on a whim.

But in the Norwegian, Thorstedt, he seems to have found the successor to goalkeeper Ray Clemence and he has a valuable, if erratic, midfield general in Paul Gascoigne. Add the solid Terry Fenwick at the back and Lineker up front and Venables has the backbone of a strong side.

Arsenal, Tottenham's north London neighbour and rival, ohviously will be challenging hard for another trophy this season after their dramatic last-minute championship vic-tory in May. The engine-room

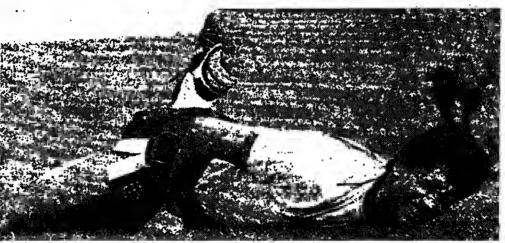
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recs Cyanosand, Including 1139 Crount First Test I England v Australia at Tront Bridgel, 129 pm News; 119 Motor Racing; Esso British Touring Car championarity and Lucae British Formula 3 championarity brom Snetturion, 134 Cricket, 259 Racing from Newbury, 256 Cricket, 250 Racing Room Newbury, 256 Cricket, 250 Racing Porn Newbury, 256 Cricket, 250 Racing Loom Newbury, 256 Cricket, 250 Placing from Newbury, 256 Cricket, 250 Placing Room Newbury, 255 Cricket, 250 Placing Room Newbury, 255 Cricket, 250 Placing Room Newbury, 255 Motor Index, 255 Motor and Polymore, 255 Motor Brown New Look, 255 News, 256 Sporthregional News, 256 Columbo, 255 News, 256 Sporthregional News, 256 Columbo, 255 News, 256 Motor Brown, 256 Motor and Sport Room, 256 Columbo, 257 News, 256 Motor Brown, 256 Columbo, 257 News, 256 Motor Brown, 257 News, 257

PBC2

1243 pas Film: Juarez, with Bette Davis, Brian Aherne and Peul Muri 4-60 Crichet. Fith Test at Trent Bridge. 8:10 A Food and Drink Spocial. 6-69 Beethoveri. John Lill Ipianol Joins the BBC Warsh Symphony Orchestrate berform Beethoveri. John Lill Ipianol Joins the BBC Warsh Symphony Orchestrate better beethought of the Control No 5 (The Empero) 7:30 Navariew. 4:15 The Session. 5:05 Fifth Far East, starring Bryan Brown and Halen Morse. 10:25 Bended (sci-fi strillar). 1:30 Cricket: Fifth Test (highlights of today's play). 1:23–1:30 am Goff: Ired coverage of the US PGA champlorship brom Kemper Lakes Goz & Courtry Club, Chicago.

255 am TV-em Breeklast Programme, \$25 Ghost Train, 11:20 The Monkes, 12:00 The



field where Michael Thomas, Kevin Richardson (or Paul Davis when he is fit) and David Rocastle feed the much im-proved Alan Smith and the

promising Paul Merson at the At the back, manager George Graham proved last season -

Chart Show, 1:56 per ITN never, ITV heplonet Westfuer, 1:55 Local never, weether, 1:10 Johnston, 1:10 Films Carpon, 1:30 Films The Password is Courage, with Dirk Bogande and Artinal Lynch, 4:56 Artisation Kodek Components of Carpos talks, 4:55 ITM never local lowed by ITV instonal weether, 5:10 Local news on weather, 5:10 Local news on weather, 5:10 Local news on weather, 5:10 Local news and weather the first talks and tal

reyws and weather, 9:39 Champion Biocidust-ons, 7:19 Baught's Bus of Tricks, 7:40 Baught's David Sout: Chins Hund, 8:30 (IN name lot-leawed by ITV national weather, 8:65 Local weather, 8:39 Fire, Romance on the Orient Express, with Cheryl Ledd, Renée Auberson, Rabph Bilichesi and Sir John Gleigud, 11:48 Film: Thressoms, starting Stephen Cottins, Deborah Raifin and Jost Higgins.

200 am Streetwins, 258 The Oprah Whitely 250. Am Streetwins, 258 Marser Buckston, 258 Canada Canada Marser Marser, 258 Marser Buckston, 258 Marser Marser Buckston, 258 Marser Ma

Seff WFAILERS
As Channel 4 except
250 and Sename Street. 1030 The Lite Revolution. 11:30 Look Good, Feet Great. 12:08
Woman Writers. 12:30 pm The Pater Custry
Show. 1:00 Film: Wilson, 2:35 K491, 3:05
Brookside. 5:00 Country Waye. 2:00 SchwMart 4:58 Newyddon 7:00-12:08 Eisteadiod
Genediaethal Frankingt Cymru 1969.

ISA Regions as London except at the lollow-

CHANNEL 4

by introducing a sweeper sys-tem with David O'Leary operating behind Tony Adams and Steve Bould - that the European ban on English clubs does not condemn British sides to tactical sterility. All in all, they are a team with scarcely a weak link and, thankfully, are much more entertaining to

watch than the side produced by former manager Don Howe. Despite the re-emergence of north London as a footballing stronghold, the team to beat this season will once again be Liverpool. In each of the past two years, the Merseyside club have been just one game short of competing the League and

### TELEVISION & RADIO

### SATURDAY

### ANGLIA 11:30 are Betmen, 7:30 per Film: Rising Demp, with Luonard Rossber, E35 Hoopen-men, 10:30 Norms Jeen Alas Marilyn Mos-roe, 11:15 Film: Psycho B, with Anthony Per-kins.

### BORDER 11:30 am The Chart Show, 12:25 per Batman, 7:46 Film: A Man Could Get Killed, with James Garner, 2:38 Hooperman, 18:30 Films Anglo, with Robert Micchen,

### CENTRAL

### CHANNEL 11:30 on The Churi Show, 12:30 pm Selle way, 7:10 Film: The Letter, with Lee Remick

GRAMPIAN 11:30 am The Chart Show, 12:39 pm Super-cross, 8:15 Criomagan (Geetic naws for the Highlands and Islands), 8:50 Hooperman, 10:25 Film: Arsto, with Robert Mochum, 12:25 am Elton John Live in Australia.

GRANADA

## 11:20 am The Charl Show, 12:20 pm Basquan, 7:00 Film: A Man Could Get Killed, with James Garner, 8:00 Hopparmer, 18:20 Film: The Long Ridem, with Devid Carmatine, Stoy Keach and Keith Carradine, 12:15 am Three's Company, 12:40 Married ... With Chil-

### SCOTTISH

### 11:30 am The Chart Show. 12:30 pm Batman 8:30 Hooperman. 18:20 Film Antic, with Rob ert Mitchen. 12:30 am Elion John Live & Australe. TVS

### 11:30 am The Clart Show. 12:20 pm Saffa way. 11:40 Film: Thremouse, with Stephen Coffine and Deborah Raffin.

### ULSTER 11:50 see The Chart Show, 12:39 per Betreet 9:58 Hooperman, 10:39 Fibre, Andio, with Rob-ert Michana, 12:25 and Ellion John Live in Australia.

YORKSHIRE

11:90 em The Chart Show, 12:20 per Who' the Boust' 100 Rinz Ancio, with Robert Mit chum. 2:30 Disney Curtons. 2:30 Hoopermat 10:20 Film: Paternity, with Burt Reynolds 12:35 see Hot Shots.

## \$26 am Dennis Culley, \$20 Sounds of the Obs with Graham Nach, \$5.00 Anne Robinson, 12,05 are Gerald Happer, 1309 Someone and the Gramblements, 1308 Sport on 2, including the Gramblements, 1308 Sport on 2, including

### BBC RADIO 3 .

Haydn and Bestboven plano trice played by Pater Franki, Gyorgy Pauk and Raiph Krah-baum. \$20 Record Release. 12:15 pm Mozart String Quintets: Cuartet in C (K170) and Quintet in E Ret. 1309 Novas. 135 Nova Tenson Select. String Chaintests: Construct in C. (1977) and Chaintest in E. Ref. 1299 Novas, 1395 Hugh Timery (pisno): Stateshovich (2 Prolucies and Fuguess from Op 87), Chopin (Nodurne in C. shurp minor Op 27 No 1 and Sonstan No S). 1390 Classic Operat: Smelanti: The Bartered Bride<sup>1</sup>, on Cason records, 4:25 Debut: Martin Jurnel (Rumpne) and Roderiot: Eims (pisno): Homeogner (intrada), Bozza (Cuprico), Micarello Devices (Sonstaine tor unuscompanied trumpel), Martinu (Sonstaine).

2:06 see Today, 2:08 News, 3port on 4, Captain Mark Phillips Joins prisonter Gerald Williams prior to the Berbour British Open Three-Doy Event at Gatecombe She weekend, 2:38 Breaksney, 18:19 News; Now there were leaf Mail (at, 18:28 Britanes, the Film (a), 17:38 Britanes, the Film (a), 17:38 News; 18:30 Pointon, 12:30 From our Own Correspondent, 12:30 Wilke's Weekly USA, 12:28 per 8:19 per 8:19 per Around (s), 12:58 Weether.

BBC RADIO 4

USA 1228 par Stiggor's Around (s). 1258-Westher;
1:00 News: Clustifice from the Past 1:55
Shipping Forecast; 2:00 News; A Family History, 2:50 Pity; A play by David Cook (a). 4:50
News; The Gardening Cutz. 4:30 Science Now; 3:50 Conversation Piece. 5:25 Little Eligibly on the Down; e80 Shipping Forecast;
2:55 Westher. 6:50 Nows; Sports (found-Up. 6:25 Officers (compliate edition) (s).
7:19 is the Psychistrist's Chair. Mary Whitehouse Issis to Anthony Clare. 7:56 Saturday-night Theaters (c). 6:00 The Gravedigger's Tupi (s). 3:15 Nuste in Milod with forms; fough Singer, Brian Kay (s). 3:20 Ten to Tonio). 2:38 Weether. 4:596 News; Cits The 2:5circle Feature - A Travelling Acress: Mesocirc of the Life of Mrs Churotis Descript of the Life of

Angolus, 1923. Voltage cyrts. Narpatestorus recital by Christopher Farr. 11-30 Nocturnes and a Dream Sequence, Music by George Crymbit Four Nocturnes for violin and plano, and Thream Sequence played by the group Dreamfiger. 11-30 Jazz Today: Tiger's Eye. 12-30-12-35 am News.
Medium Wares as Fife Sameph: 12-35 ma-543 per Test Match Special. England v Asptraits - 3rd day of the Fifth Test at Treat Reides.

### findicates progressme in black and white

### under street (6)

- 26 Coagulate without sense? (4) Solution to Puzzle No.7,009
- 13 Fair sort of railwey? (6) 15 Part of the tree of know-16 Basic food for fixer at parlia-19 Food that could be ground
- by day (clue's crazyl) (6.4) 20 Saint Bees may be 'ere (4) 23 Conversational model in vacht hutlding (6)
- 25 Novice entering tart is

1 Disburse ebout e cent if you

want to calm down (6)

4 Wintry fall coming up in

10 Have Paul destroyed in con-

12 Top hill, and man has prob-

spring (8) 9 Fall, getting drier? (6)

vulsion (8)

ledge? (4)

ment (6.4)

- pressing (8) 27 Home to suit rodents one left inside (8) 28 Old city chap is pressing (6) 29 Awfully loud inmate to
- change key (8)
  30 Search frantically for second drink? (6)
- DOWN 1 Casual attempt at drug's dangerous (3,4) 2 Mate's way on ship (9) 3 Bird almost gets full marks
- (6) 5 Maybe pane in the neck (4) 6 Miserable draw – drew miserably outside (8)
- 7 Bird removing coward's 8 Beast goes off to place (7)

- 19 Scotsman on a barrier with
- 21 Politician committing trea-22 Formality of structure
- 24 Prepared for attack by dream? (5)
- PARDPER WARDRESS
  AFO A PEX U
  REFINED POPPING
  TESS LEASA
  ASPS SIGNWRITER
  KRIED POPPING
  TESS LEASA
  ASPS SIGNWRITER
  KREEN SIGNWAILL
  KREEN S

Solution and winners of Puzzie No.6,998



8 Beast goes on to place (7)
11 Fish for chalk (7)
12 St Paul stirred a kitcheo utensil (7)
13 Scottish town, home to sci-fi writer with ship (9)
16 Cat liver cooked standing up (8)

17 Seas Sussex: Dr T Coulson, Luxemburg Gardens, London; Mr M Farmer, Shieldhall St. London, Mr D Nicolson, Victoria Road. Cambridge: Mr R Simons, Lisvane, Cardiff.

8:55 am Playbus. 3:15 Umbretta, 3:30 This is the Day 110:00 Film: Anne and the King of Sam with Irene Durme and Rea Herrison. 12:05 par See Heart 12:30 Courtoy File. 1:26 Nove; The High Chaparrat. 1:30 Cartoons. 2:00 Eastinders. 3:00 TV Illim: No Man's Land with Stella Stevens. 4:35 Go for 10 Sets Our House. 6:55 The Greet Picture Chaps. 6:55 Noves. 8:40 Songs of Praiss. 7:15 Film: The River, with Mel Chaon and Skey Spacok. 9:15 Noves. 8:30 Chairconn. 19:25 Cathedral Classics. Pasi Eddington introduces a concert from Worcester Cathedral. 11:25 Who Caros?

### BBC2

LONDON

1:10 pas Grandstand Including 1:16 EventingBarbour British Open Champtonships from
Gatoombe Park 1:25 Motor Recing: Hungarlen grand prix from Budapest and the Esso British Touring Car Champonship trom Sneiterton, 2:39 Racing, 3:45 Croket Hampshire v Wordestershina in the Refuge Assurance
Ladgue from Bournemouth 4:50 Goft: Berson and Hedges International from Fulford, 3:50 Eventing, 6:50 Cricket.

8:45 One Mars and nis Dog 7:30 The Nature of Australia 8:25 Forever Divided, 6:35 Grand prix: highlights of the Hungarian grand pris from Budapect 10:25 Movied-ome: Ales Cox Introduces tonight's film in the cut movie season. 10:26 Trancers 11:45-1.20 ast Gott-tined round of the US PGA championship from Chicago.

### LONDON

6:00 TV-sm Breakfast Programme, 0:25 Ghost Train On Sunday, 10:15 Fotiviout, 10:45 Link, 11:20 Moreing Warshep, 12:00 Borderinge, 12:20 Borderinge, 12:20 Borderinge, 12:20 Borderinge, 12:20 Borderinge, 12:20 Local news and weather, 1:00 TM news), followed by ITV national weather, 1:16 Tm Smurts, 1:20 Ae invitation to Romanther 2:00 Coronation of Hard 4:00 Amiestics; Kodak Cammon 10:00 Hard 4:00 Hard 4:00 Hard 5:00 Hard 4:00 Hard 5:00 Hard 5:0

### CHANNEL 4

S4C WALES

200 cm Jayos and the Wheeled Warriors.
239 Cuest of Eagles. 9:00 Dennib 225 Here
and Nove on 4. 10.00 Australian Rules Football 11:00 Pool's Programme. 11:30 The Hericerson Kids. 12:00 The Wallons. 1:00 pos Lost
in Space 200 Woodbline Place. 200 Channel
Four Racing International from Deagwille
Seaguring the Prior Japours Le Marcis.
3:46 Pilm: Sebrina, with Audrey Hepburn,
Humpfury Bogart and William Holden. 25:0
Goldframs. 9:55 News purmany and weather.
4:25 Adviator: Kodds Commonward's Games
trais. 7:15 Equinos: Fettal Attraction. 2:15
Apptin of Revolution (Las Nute Revolutionnarres). 2:15 Takes from the Hollywood Hills.
110:15 Pilm: Seturday Night and Sunday
Morning, with About Firmoy 11:25 Film: The
Dupod (Arabic with English subtries).

### S4C WALES

As Channel 4 empaths
925 ant Ners and How on 8 10:00 The World
Thre Week, 1500 pm Sur Teat, 1:30 This Food
Bussiness, 2:00 Debbie Gibson, in Concert,
2:35 Film Two Cirts and a Sallor, with June
Attypon and Gloria de Horen,
7:26 Poblo Tresporter, 7:25 Neryddion 7:09
Ymyrson y Belrid, 8:36 Eisheddod Garedleathol Freshhold Cymru, 10:06 Y Our Byr.,
10:05 Film; Iralgnificanos, with Tony Curts.

### ANGLIA

12:30 pm Farming Diary, 1:10 Heinloam, 1:00 Certoon Time, 2:00 Highwey to Heaven, 12:05 and Prisoner: Gen Block H. BORDER

## CENTRAL



Belfast broadcaster Sem McAughtry, Journalist Mary Holland and musician Phil Coulter in Bordarlines on ITV at noon

CHANNEL 1220 pm Reflections, 1225 Les Français Chez-Vous, 1:10 The Story of Steam, 2:00 Classic Creatures, 1205 pm Scop.

GRAMPIAN 10:45 mm Robostory. 11:15 The Human Face of Grina. 17:45 Link. 12:39 pm The 19th Day. 1:16 into Nocarague. 3:00 Highway to Heaven. 5:90 Scotsport. 12:05 em Prechair Catl Block

GRANADA

HTV 12.30 pm West Country Farming, tolic weather for farmers. 1:19 Coronation

# 9:10 The Guidenburg Inheritance, \$189 Char-lie's Angels, 1286 on Prisoner: Cell Block H, HTY WALES as HTY supply 8:40-7:16 pm A Visit to the Eletecklod.

10x15 are Robostery, 11x16 Link, 11x18 Let's Rejoice, 12x38 per The Speciacular World of Guinness Records, 11x6 Connuction Street (own/bas editor), 2x30 Alf Chied Up, 2x56 Scotsport, 6x50 The 10th Day, 12x56 are The Grand Che Opry, 12x36 Merder, She Wrots.

### RADIO

Pictures (1)
Requests (1)
Requests (1)
Set in and reseasement of the novelet, playwright, journalist and philosopher, by Richard Mayne. 948 BBC Singers in Grazilli Robert Sexion (Chacoma), Prado (Magnifi-

### SUNDAY



SCOTTISH

TSW 12:30 pm Farming News, 1:10 Coronation Street (orbidus edition), 2:10 Film; 5'H'E, with Ornar Shartl, 12:05 pm Crime Story,

TVS

ULSTER

YORKSHIRE

RADIO

BBC RADIO 2 7:20 am Rager Royle says 'Good Morning, Sunday, 'e.03 Melodies For You. 11:90 Desmond Carrington with Your Radio 2 All-Tines Green. 2:00 pan Senny Green. 2:00 Marsen Stellman. 4:50 The Poter Morrison Song Sook. 4:58-4:59 Sing Something Singhole (Sell RM Joine Radio 11 7:00 Dennet McCarthy and Friends. 8:00 Senday Mell-Hour, 4:00 Your Hundred Best Tumes. 4:05 Songs from the Shows. 10:46 Simps Inchese at the plane. 11:50 Sense Vote with Sounds of Jazz 1:50 pin Josen Chellis presents Nightride. 2:00-4:08 A Little Michael Word and Song Senday Sen

BBC RADIO 3

lin Concerte No 2). Beethoven (Overture: Leonors No 2).

12:15 pm Noward Ferguson 8th Britishey.
Concert with Levon Chillippiran (volle). Citiord Benson (plane) and the ECO Wind
Erememble: Perguson (Nolin Sonata No 1).
Richard Rodney Bennett (3 Fermanic Percenture).

(1:19 Interval Reading) 1:18 Mozert (Sergnade in B fat for 13 wind instruments (S01).
2:19 King's Lyan Peativel (1002: Endellion String Custrate Arriage (Custrate No 1), Sectionen (Custrat Op 69 No 1, Rasumovaloy, 2:29 The Franch Influence (Barpalchard rected by Malcolm Proud). chairs a discussion about the original competition and the compositors involved \$7.5 John Welden, (The Judgment of Paria) sees interval latit examining the myth of the Judgment of Paria and some of the paintings it has imprived \$28 John Exclas (The Judgment of Paria) #036 Muste for a Summer Evening by George Crusto, played by Howard Shelley and Hillary Maccentana, (planes) and James Holland and David Johnson (percuration); 17:19. Four Gentlemen of the Chapel Royal, Music by Johgn Blow performed by The Student and London Beroque, 12:59-12:55 assistance.

### RADIO 4

PLADIC 4.

7:39 am News. 7:18 Sunday Papers. 7:18
Waterlines. 7:49 Sunday, Including 7:55
Waterlines. 7:49 Sunday, Including 7:55
Westher 2:00
Peter Allia speaks for The West's Good
Canse. 8:56 Westher. 8:50 News. 2:18
Sunday
Papers. 8:15 Letter from America by Allesto
Cooles. 8:30 Morning Service (sl. 12:15 The
Archars (Opothus edition). 11:15 News.
Stand. 11:59 Pick of the West Isl. 12:15 pee
Cester island Cleans job., 12:26 Westher.
13:00 The World This Westers.
14:00 The World This Westers.
15:00 The Standay Firm. 8:00 With Grant
Pleasure. 6:57 Engline Within, 8:00 News.
15:00 Pick See Children of the long.
15:00 Pick See Children of the long.
16:00 Pick See Children of the long.
16:00 News.
16:00 Freedback Crist English sees. News.
Settle Freedback Christ Duridey after virtuaters.
Scill Freedback Christ Duridey Tale virtuaters.
Scill White the Carla Away. [13] 700 Admonthal Freedback Christ India Vallence, chairman of Bridgh Telecom.
Talk, Enterprise. 200 A Good Read to). 200 Mart to Go Home. 200 Mart to Go Home. 200 Mart to Go Home. 200 Mart telecom Properties. 2015 The Natural Hebory Programme. 200 Weather, 100 The Christ Mart. 2015 Feb. Rev. 20

